Missouri

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

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For Fiscal Year Ended June 30, 2013

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STATE OF MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2013

JEREMIAH W. (JAY) NIXON

Governor

DOUGLAS E. NELSON
Commissioner
Office of Administration

STACY NEAL
Director
Division of Accounting

Prepared by
Office of Administration, Division of Accounting

STATE OF MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2013

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*The **Introductory Section** includes material to familiarize the reader with the organizational structure of the State, the nature and scope of services the State provides, and a summary of the financial activities of the State and the factors that influence these activities.*

Jeremiah W. (Jay) Nixon
Governor

Doug Nelson
Commissioner

State of Missouri
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Stacy Neal
Director

January 10, 2014

The Honorable Jeremiah W. (Jay) Nixon
The Honorable Members of the Legislature
Citizens of the State of Missouri

In accordance with generally accepted accounting principles, I submit to you the Comprehensive Annual Financial Report (CAFR) of the State of Missouri for the fiscal year ended June 30, 2013. This report was prepared by the Office of Administration, Division of Accounting, whose management is responsible for its contents.

The report is prepared to show the financial position and operating results of the State. The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial activities have been included.

An annual audit of the basic financial statements is completed each year by the State Auditor's Office. The State Auditor conducts the audit in accordance with generally accepted government auditing standards, and his opinion has been included in this report. The State Auditor conducts a "Single Audit" of all federal funds in accordance with the Federal Single Audit Act of 1984, and the U.S. Office of Management and Budget Circular A-133, "Audit of State and Local Governments and Non-Profit Organizations."

A narrative introduction, overview, and analysis of the basic financial statements is presented in the *Management's Discussion and Analysis (MD&A)* section of this report. This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE GOVERNMENT

Missouri was organized as a territory in 1812 and was the second state (after Louisiana) of the Louisiana Purchase to be admitted to the Union. Statehood was granted on August 10, 1821, making Missouri the 24th state. The State encompasses 68,945 square miles.

The State operates under three branches of government: executive, legislative, and judicial. The executive branch consists of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, and Attorney General. The legislative branch consists of 34 members of the Senate and 163 members of the House of Representatives. The judicial branch is a three-tier court system: the Supreme Court, the State's highest court, has statewide jurisdiction; a court of appeals that consists of districts established by the General Assembly; and a system of circuit courts that has original jurisdiction over all cases and matters, civil and criminal.

The State provides a range of services in the areas of agriculture, education, health and social services, transportation systems, public safety, judicial systems, economic development, conservation and natural resources, labor relations, and general administration.

The State operates on a legally adopted budget in order to ensure compliance with legal provisions embodied in the annual appropriated budget passed by the General Assembly and approved by the Governor prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process that original appropriations are requested. Budgets are established at the program level. Expenditures cannot exceed the individual appropriation amount. The Governor has the authority to reduce the allotments of appropriations in any fund if it appears that the revenue estimate will not be met. Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

The financial reporting entity of the State includes all of the funds of the primary government as well as component units for which the State is financially accountable. The transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position.

ECONOMIC CONDITION AND OUTLOOK

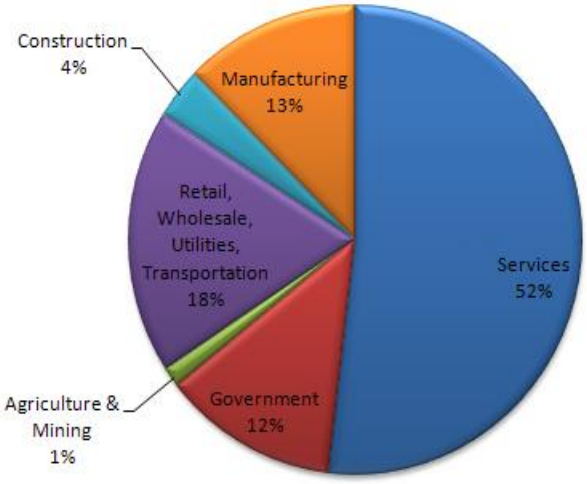
State Economy

The economy in Missouri has seen steady improvement over the past three years. According to estimates, Missouri's gross domestic product (GDP) totaled over $258 billion in 2012. Missouri's GDP is now higher than the pre-recession level. Growth in economic indicators such as GDP, industrial production and wage, has confirmed a gradual climb out of the recession. Some of the positive signs of improvement include:

- over 63,000 jobs that were lost during the recession have been added back, this is equal to over half of the jobs lost during the recession.
- unemployment dropped to 6.9% in June 2013 compared to the 7.6% national unemployment rate. Missouri's unemployment rate has been lower than the national average for a consecutive 47 months.
- personal income increased 3% in 2012 compared to 2011.

In 2012, Missouri experienced the largest annual growth in GDP since 2007. Missouri's growth of 3.7% from 2011 to 2012 lagged slightly behind the U.S. GDP growth of 4%. Missouri's GDP is the 22nd largest among states and is third largest among the surrounding states. As shown in the chart, services contributed the largest portion followed by retail, wholesale, utilities, transportation, and government.

Missouri Gross Domestic Product
2012



Source: MERIC 2013 Missouri Economic Report.

The unemployment rate in Missouri remains stable. A statewide focus to create new jobs continues. In June 2013, there were major expansions announced by a number of businesses including GM, Boeing, and SRG Global. The expansion of Boeing includes the opening of an information technology center that is expected to create 400 new jobs in the State. Missouri Works, which launched in January 2012, has helped to create some of the new jobs. The Missouri Works program has been employed in an effort to engage 600 businesses, including Boeing, in the development of a comprehensive strategy to transform the State's economy. Some of the goals of the program includes: attracting next-generation automotive suppliers to the State, expanding the number of exports, training more workers for high-tech careers, hiring more military veterans to work in the State, jumpstarting job creation in science and technology, targeting big-growth industries, and creating jobs in rural communities.

In addition to the Missouri Works program, the Strategic Initiative for Economic Growth (SIEG) has been working to move the State's economy forward and targeting seven high-growth industries of the future to make targeted state investments. The seven targeted industries include advanced manufacturing, biosciences, energy solutions, finance and professional services, health care science and services, information technology, and logistics. These industries represent in-demand employment opportunities paying on average 25% higher wages than the state average. With critical guidance from the private sector leadership, the State has worked to implement strategies identified in the SIEG in order to promote the growth of the seven targeted industries. Examples include the Missouri Manufacturing Jobs Act which benefits the State's strong transportation sector, the Missouri Step Initiative to promote small business exports, and the Innovation Campus Program to increase training opportunities in high-demand industries through accelerated degree programs and high-impact internships.

Long-Term Financial Planning

Missouri continues to focus on controlling the growth of mandatory programs through cost-effective alternatives and cost containment initiatives while improving the delivery of services through administrative efficiencies. The State is actively pursuing opportunities to consolidate functions and thrive in a period of reduced financial resources.

In fiscal year 2013, the legislature passed House Bill 253, which would have made substantial changes to the State's existing tax structure. This bill was vetoed by the Governor due to concerns with the bill and the magnitude of some of the changes on the State's budget. The legislature attempted to override the veto but was not able to obtain enough votes.

Senate Bill 1 was passed in 2013 to address the solvency issues in the Second Injury Fund. This bill authorizes a supplemental surcharge that may not exceed 3% of the policyholder's or self-insured workers' compensation net deposits, net premiums, and net assessments for the previous policy year. The current statutory cap of 3% has proven insufficient to meet the obligations of the fund.

In order to take advantage of historically low interest rates, the State refunded some of its existing debt that was originally issued at higher interest rates. In June, August, and October 2013, the State refunded outstanding Missouri Development Finance Board Leasehold Revenue Bonds, Regional Convention and Sports Complex Authority Convention, and Sports Facility Project Bonds as well as Board of Public Building Bonds for economic savings. The bond sales produced combined budgetary savings of $9 million in fiscal year 2014 and cash savings of $15.6 million over the life of the bonds. The present value savings for the three refunding transactions were 8.25%, 12.7%, and 13.1%, respectively. As refunding opportunities present themselves, the State will continue to review the potential impact to the State and will continue to review all debt outstanding to ensure that the State's debt is managed efficiently.

Relevant Financial Policies

Article X, Sections 16-24 of the Constitution of Missouri (the "Tax Limitation Amendment"), imposes a limit on the amount of taxes that may be imposed by the General Assembly in any fiscal year. This limit is tied to total state revenues for fiscal year 1981, as defined in the Tax Limitation Amendment and adjusted annually based on a formula which is tied to increases in the personal income of Missouri for certain designated periods. If the revenue limit is exceeded by one percent or more in any fiscal year, the excess revenue will be refunded based on the liability reported on state income tax returns. If the excess revenue collected is less than one percent of the revenue limit, the excess revenue shall be transferred to the General Revenue Fund.

The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or if the General Assembly approves by a two-thirds vote an emergency declaration by the Governor. Strong economic growth resulted in revenues above the total state revenue limit in fiscal years 1995-1999. The State has refunded to income taxpayers $979 million in excess revenue for these fiscal years. The revenue limit was not exceeded in fiscal years 2000 through 2013, inclusive. The State is currently $3.9 billion below the limit and does not expect the limit to be exceeded in fiscal year 2014.

Major Intiatives

As the economy is slow to fully recover, the State has continued to focus on reduced spending. Efficiencies have been obtained through consolidation of state agencies, downsizing the state workforce, reduction of the number of boards and commissions, sale of unused state property, elimination of unused office space, negotiation on building leases, improved technology, placement of more services online, reduction in state employee travel, and elimination of automatic increases in procurement contracts.

Missouri has focused on improving the economy of the State. The primary areas of focus include attracting business to the State, job creation, and education.

Tax Structure. House Bill 128 modifies how corporations calculate taxable income. The bill adds an optional method for allocating sales outside the state. The optional method provides a tax benefit to those businesses that ship goods outside of the state.

Economic Development. House Bill 184 establishes the Missouri Works Program. The program consolidates four existing business development programs into a single business-friendly program with a uniform set of definitions and streamlined application process. Additionally, the program will be capable of offering businesses performance based benefits in the form of retained withholding taxes and additional discretionary incentives in the form of refundable tax credits. The program also expands eligibility to enable greater participation by small businesses and businesses in rural areas, while providing additional benefits to existing businesses that create jobs.

Education. Missouri created the Start Smart Initiative to expand access to early childhood education by providing resources to support the development of new or the expansion of existing high quality early childhood and pre-kindergarten educational opportunities. The program provides assistance to early childhood programs to make capital improvements, provide for start-up costs for curriculum development, equipment, and teacher training. All eligible programs must provide services that will benefit low and moderate income individuals.

ACKNOWLEDGEMENTS

While the Office of Administration, Division of Accounting, is responsible for the contents of this report, no one division could do it alone. Many people were involved in the compilation of materials necessary to complete the report.

We want to issue a special thanks to all the personnel at the State agencies who provided us with information quickly and accurately so that we could issue the CAFR in a timely manner. We also owe thanks to the professionalism and dedication demonstrated by technical and management personnel within the State Auditor's Office, the State Treasurer's Office, Office of Administration, Information Technology Services Division, and the State Printing Center. We appreciate all their efforts.

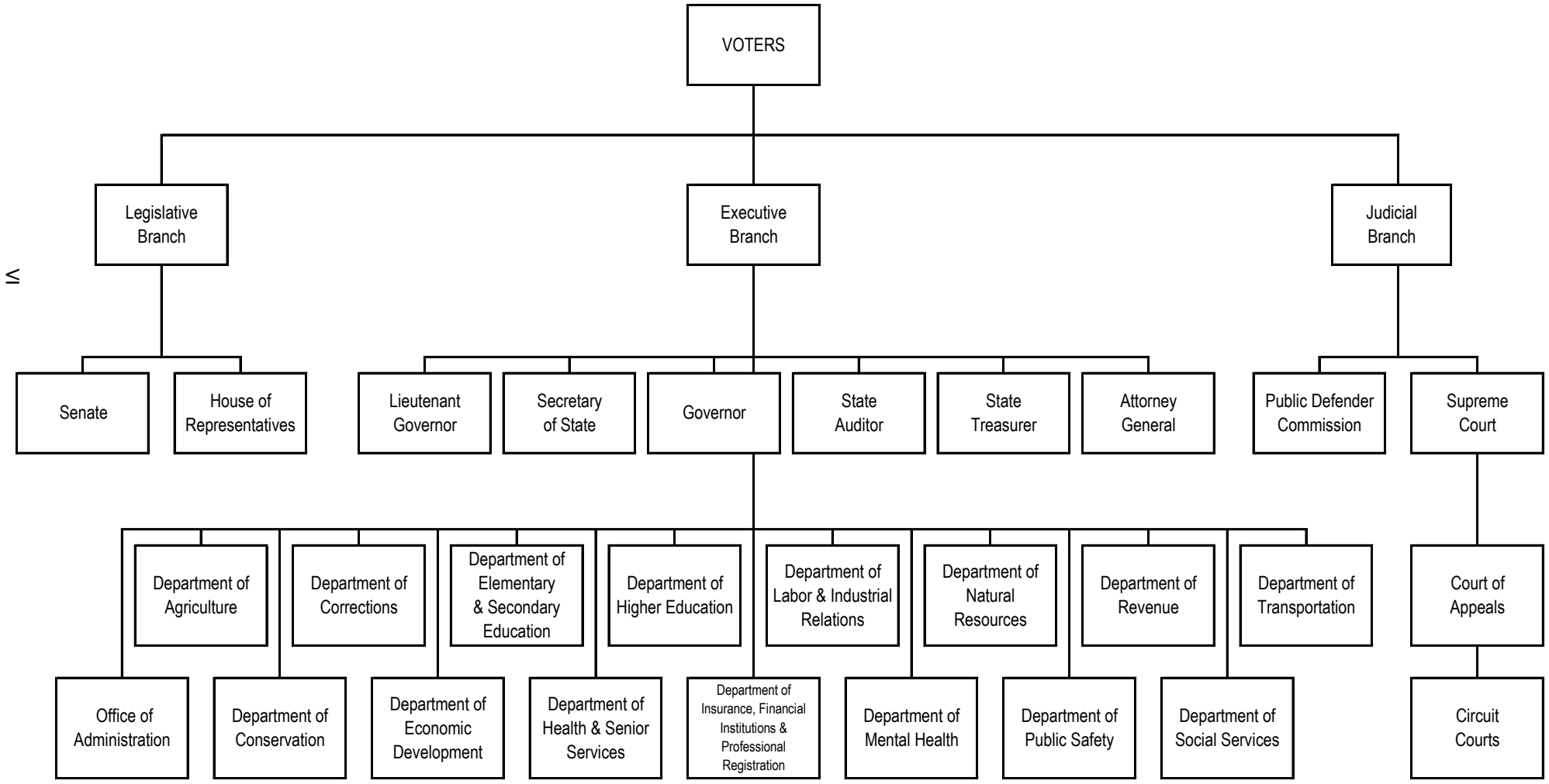
Sincerely,

Stacy Neal, CPA
Director

STATE OF MISSOURI

ORGANIZATIONAL CHART

June 30, 2013



STATE OF MISSOURI
PRINCIPAL STATE OFFICIALS
as of June 30, 2013

EXECUTIVE

Jeremiah W. (Jay) Nixon
Governor

Peter Kinder
Lieutenant Governor

Jason Kander
Secretary of State

Tom Schweich
State Auditor

Clint Zweifel
State Treasurer

Chris Koster
Attorney General

LEGISLATIVE

Tom Dempsey
President Pro Tem of the Senate

Timothy Jones
Speaker of the House of Representatives

JUDICIAL

Richard B. Teitelman
Chief Justice of the Supreme Court

*The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Supplementary Information.*

THOMAS A. SCHWEICH
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain entities that comprise the state of Missouri. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. Those entities were:

1. The Missouri Road Fund, a major fund; the Missouri Highway 63 Transportation Corporation, a blended transportation corporation identified in Note 1A.; the Missouri Road Bond Fund; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway

Patrol Medical and Life Insurance Plan, which represent 78 percent and 12 percent of the assets and revenues, respectively, of the governmental activities.

2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which are both major funds and represent 37 percent and 49 percent of the assets and revenues, respectively, of the business-type activities.

3. The aggregate discretely presented component units.

4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 97 percent of the assets and additions, respectively, of the fiduciary funds.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Missouri Highway 63 Transportation Corporation, a blended transportation corporation; the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board, a discretely presented component unit; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinions on the Governmental Activities and General Fund

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Director of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of *Director of Revenue v. State Auditor 511 S.W.2d 779 (Mo. 1974).* Approximately 27 percent of governmental activity revenues and 32 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded.

Qualified Opinions

In our opinion, based on our audit and the reports of other auditors, and except for the possible effects of the matter described in the "Basis for Qualified Opinions on the Governmental Activities and General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the state of Missouri, as of June 30, 2013, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 1-13 and the Budgetary Comparison Schedule-General Fund, Major Special Revenue Funds on pages 104-105 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

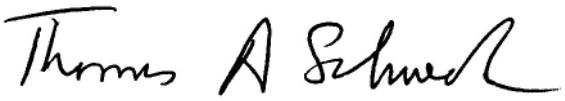
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The supplementary information, as listed in the table of contents, and the other information, such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, and except for the effects on the supplementary information of the matter discussed in the "Basis for Qualified Opinions on the Governmental Activities and General Fund" paragraph, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The information in the introductory and statistical sections has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, our report dated January 10, 2014, on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters is issued under separate cover in the Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state of Missouri's internal control over financial reporting and compliance.



Thomas A. Schweich
State Auditor

January 10, 2014

*The **Management's Discussion and Analysis** provides a narrative overview and analysis of the financial activities of the State.*

Management's Discussion and Analysis

The following is a discussion and analysis of the State of Missouri's (State's) financial activities for the fiscal year ended June 30, 2013. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-Wide:

- *Net Position.* Assets of the State of Missouri exceeded liabilities at the close of fiscal year 2013 by $30.7 billion. Of the $30.7 billion, "unrestricted net position" is reported as a negative $1.6 billion, offset by $3.8 billion in "restricted net position". A positive balance in unrestricted net position would represent the amount available to be used to meet the government's ongoing operations.

- *Changes in Net Position.* The State's total net position increased by $1.1 billion in fiscal year 2013. Net position for governmental-type activities increased by $892.5 million.

- *Excess of Revenues over (under) Expenses.* During fiscal year 2013, the State's total revenues of $25.7 billion were $1.1 billion greater than total expenses of $24.6 billion (excluding transfers). Of these expenses, $15.0 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled $10.7 billion.

Fund-Level:

- *Governmental Funds – Fund Balance.* At the close of fiscal year 2013, the State's governmental fund assets exceeded liabilities by $5.0 billion, an increase of $310.2 million or 6.7% from the prior year. The increase was primarily due to a decrease in expenditures of $677.4 million.

- *General Fund – Fund Balance.* At the end of the current fiscal year, the State's General Fund reported a balance of $1.4 billion.

Additional information regarding individual funds begins on Page 9.

Debt Issued and Outstanding:

- The primary government's total long-term obligations related to bonds payable decreased $227.8 million or 5.5% over the prior year. The outstanding bonds payable represents 48.0% of financial assets (cash, receivables, and investments) and 9.8% of total assets. The net decrease in bonds payable resulted from a decrease of $206,000,000 due to bond payments, $463,000,000 due to bond refunding, and an increase of $442,000,000 due to issuances of General Obligation Bonds and Board of Public Buildings Bonds. Additional detail is available in *Note 12*.

Revenue Limit:

- The State Constitution limits the State's ability to retain revenue collected over an amount set by a constitutional amendment known as Article X. Excess revenue of 1.0% or more must be refunded to the taxpayers each year. During fiscal year 2013, the State did not exceed the revenue limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The State's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements:

The government-wide financial statements are designed to provide readers with a broad overview of the State's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the State's assets and liabilities, with the difference between the two reported as *net position.* Increases or decreases in net position may serve as a useful indicator of the State's financial position.

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of when the cash is received. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report three activities:

Governmental Activities are primarily supported by taxes and intergovernmental revenues. They include general government, education, natural and economic resources, transportation and law enforcement, and human services.

Business-Type Activities are intended to recover all or a significant portion of their costs through user fees and charges. They include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, publishing maps and documents and insurance coverage. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds.

Discretely Presented Component Units are operations for which the State has financial accountability, but are legally separate. They include the college and universities, Missouri Development Finance Board, Missouri Agricultural and Small Business Development Authority, Missouri Transportation Finance Corporation, and Missouri Wine and Grape Board.

Fund Financial Statements:

The fund financial statements present more detailed information about the government's operations than the government-wide statements. The State uses fund accounting to ensure and demonstrate compliance with statutory requirements. The funds of the State can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for most of the basic services provided by the State. Unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government's financing requirements in the near future.

Governmental funds include the general, special revenue, capital projects, debt service, and permanent funds. Major funds include general, public education, conservation and environmental protection, and the Missouri Road Fund which are presented in separate columns. Data from other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in supplementary information.

A user can compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements, a reconciliation to facilitate this comparison is provided on the page immediately following each governmental fund financial statement.

Proprietary funds. Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees. Generally, the State uses enterprise funds to account for activities that provide goods and services to the general public. These include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising and publishing maps and documents. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds. Internal service funds report activities that provide supplies and services for the State's other programs and activities. The State uses internal service funds to account for insurance and health care plans, as well as administrative services for other state agencies, such as fleet management, data processing, and telecommunication services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds focus on economic resources and utilize the full accrual basis of accounting. The proprietary fund financial statements provide separate information for the State Lottery, Unemployment Compensation, and Petroleum Storage Tank Insurance, which are considered major enterprise funds. Non-major enterprise funds are also combined into a single column for aggregated presentation. All internal service funds are combined into a single column in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements in supplementary information.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside State government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the State's own programs. The fiduciary funds are presented using the full accrual basis of accounting.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the General Fund and major special revenue funds. Other supplementary information includes the combining statements for the general, non-major governmental, non-major enterprise, internal service, fiduciary, and non-major component unit funds. It also includes the statistical section as well as budgetary comparison schedules for the Missouri Road Fund, non-major special revenue, debt service, and permanent funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position:

The State's total net position increased $1.1 billion or 3.8% during fiscal year 2013. This increase resulted primarily from an increase in accounts receivable of $111.0 million mainly due to tax increases, a decrease in bonds payables of $227.8 million due to the State capitalizing on historically low interest rates by refunding state bonds, and a decrease in loans payable of $254.3 million. Net position net investment in capital assets and restricted net position, which do not represent resources available to pay day-to-day operating expenses, increased by $548.1 million or 1.7%. The net position net investment in capital assets and restricted net position increase was primarily due to the increase in capital assets of $413.4 million.

Net investment in capital assets, such as bonds payable or capital lease obligations, is the largest component of the State's net position at $28.5 billion or 92.7%. These assets include land, infrastructure, buildings, and equipment which are not easily converted to cash or readily available to pay state debts as they come due.

Restricted net position of the primary government totaled $3.8 billion or 12.5% of total net position vs. 13.2% from the prior year. Net position is restricted for several reasons including constitutional, legal, enabling legislation, or external requirements. Examples of restricted net position include lottery proceeds restricted for public education, funds restricted for debt service, and certain sales taxes restricted for the maintenance of highways or state parks and conservation areas. Also, many federal funds are restricted to funding certain programs.

The following table displays the current and prior year government-wide condensed Statement of Net Position.

STATEMENT OF NET POSITION

(In Thousands of Dollars)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012*	2013	2012*	2013	2012*
ASSETS:						
Current and Other Assets	$ 7,926,867	$ 7,442,416	$ 436,034	$ 464,224	$ 8,362,901	$ 7,906,640
Capital Assets, Net	31,875,531	31,464,579	52,928	50,437	31,928,459	31,515,016
Total Assets	39,802,398	38,906,995	488,962	514,661	40,291,360	39,421,656
Total Deferred Outflows						
LIABILITIES:						
Other Liabilities	1,833,882	1,823,577	28,405	25,980	1,862,287	1,849,557
Long-Term Liabilities	7,170,052	7,177,493	520,197	773,659	7,690,249	7,951,152
Total Liabilities	9,003,934	9,001,070	548,602	799,639	9,552,536	9,800,709
NET POSITION:						
Net Investment in Capital Assets	28,494,527	27,873,493	52,644	50,081	28,547,171	27,923,574
Restricted	3,826,892	3,898,340	5,630	9,675	3,832,522	3,908,015
Unrestricted	(1,522,955)	(1,865,908)	(117,914)	(344,734)	(1,640,869)	(2,210,642)
Total Net Position	$ 30,798,464	$ 29,905,925	$ (59,640)	$ (284,978)	$ 30,738,824	$ 29,620,947

*Fiscal year 2012 amounts have been restated.

Changes in Net Position:

The schedule below reflects how the State's net position changed during the year. The State collected program revenues of $15.0 billion and general revenues of $10.7 billion for total revenues of $25.7 billion during fiscal year 2013. Expenses for the State during fiscal year 2013 were $24.6 billion. Total net position, net of contributions and transfers, increased by $1.1 billion.

The following table displays the current and prior year government-wide condensed Statement of Activities.

STATEMENT OF ACTIVITIES

(In Thousands of Dollars)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012*	2013	2012*	2013	2012*
REVENUES:						
Program Revenues:						
Charges for Services	$ 1,829,767	$ 1,868,154	$ 1,213,244	$ 1,165,646	$ 3,043,011	$ 3,033,800
Operating Grants and Contributions	9,704,485	9,889,453	1,172,524	1,507,428	10,877,009	11,396,881
Capital Grants and Contributions	1,032,849	1,096,052	---	---	1,032,849	1,096,052
General Revenues:						
Sales and Use Taxes	2,883,808	2,705,002	---	---	2,883,808	2,705,002
Income Taxes	6,263,009	5,495,320	---	---	6,263,009	5,495,320
Other Taxes	1,536,303	1,501,498	---	---	1,536,303	1,501,498
Other Revenues	106,954	266,384	(3,103)	4,312	103,851	270,696
Total Revenues	23,357,175	22,821,863	2,382,665	2,677,386	25,739,840	25,499,249
EXPENSES:						
General Government	1,053,888	1,029,012	---	---	1,053,888	1,029,012
Education	6,368,513	6,373,757	---	---	6,368,513	6,373,757
Natural and Economic Resources	933,473	1,053,949	---	---	933,473	1,053,949
Transportation and Law Enforcement	1,925,985	2,021,423	---	---	1,925,985	2,021,423
Human Services	12,310,204	12,299,493	---	---	12,310,204	12,299,493
State Lottery	---	---	876,308	835,526	876,308	835,526
Unemployment Compensation	---	---	858,697	1,280,157	858,697	1,280,157
Petroleum Storage Tank Insurance	---	---	18,080	22,171	18,080	22,171
State Fair Fees	---	---	3,969	3,963	3,969	3,963
State Parks and DNR	---	---	8,951	10,659	8,951	10,659
Historic Preservation	---	---	388	340	388	340
Veterans' Homes	---	---	96,989	76,598	96,989	76,598
Surplus Property	---	---	3,013	3,065	3,013	3,065
Revenue Information	---	---	32	72	32	72
All Other Expenses	163,473	207,906	---	---	163,473	207,906
Total Expenses	22,755,536	22,985,540	1,866,427	2,232,551	24,621,963	25,218,091
Increase (Decrease) in Net Position before Transfers and Special Items	601,639	(163,677)	516,238	444,835	1,117,877	281,158
Transfers and Special Items	290,900	300,488	(290,900)	(300,832)	---	(344)
Change in Net Position	892,539	136,811	225,338	144,003	1,117,877	280,814
Net Position - July 1	29,905,925	29,769,114	(284,978)	(428,981)	29,620,947	29,340,133
Net Position - June 30	$ 30,798,464	$ 29,905,925	$ (59,640)	$ (284,978)	$ 30,738,824	$ 29,620,947

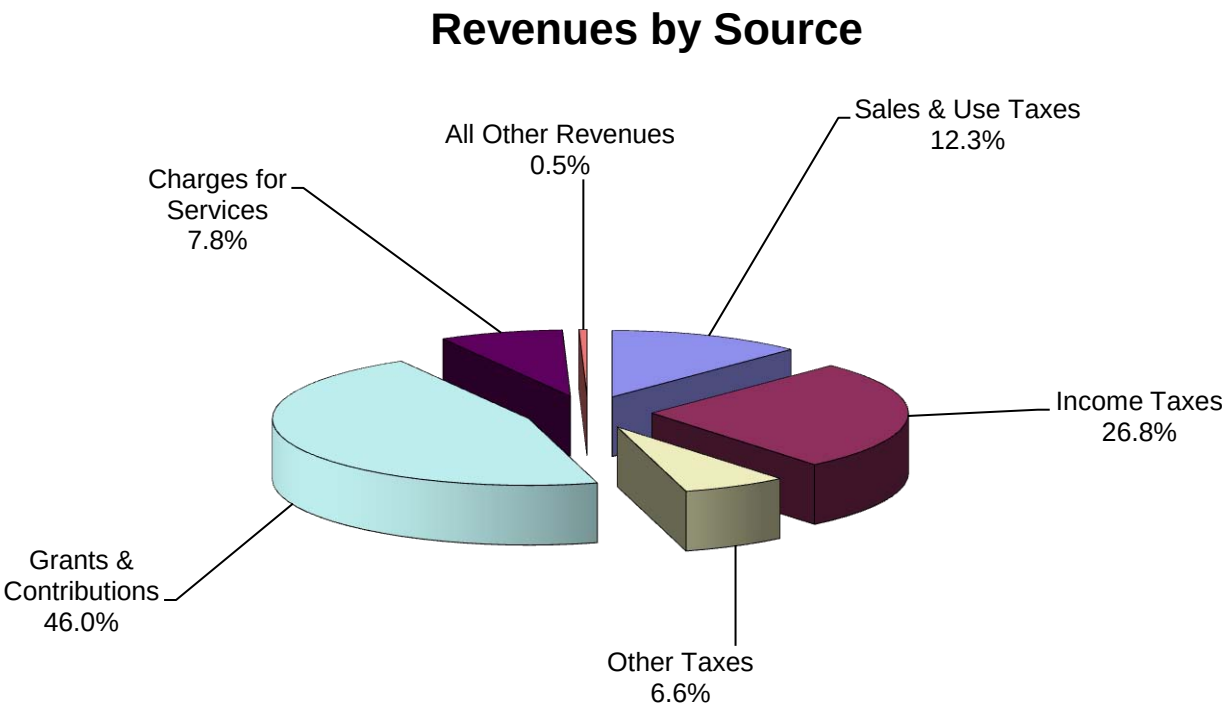
*Fiscal year 2012 amounts have been restated.

Governmental Activities

The net position of governmental activities increased $892.5 million in fiscal year 2013. Revenues for the governmental activities totaled $23.4 billion, while expenses totaled $22.8 billion in 2013.

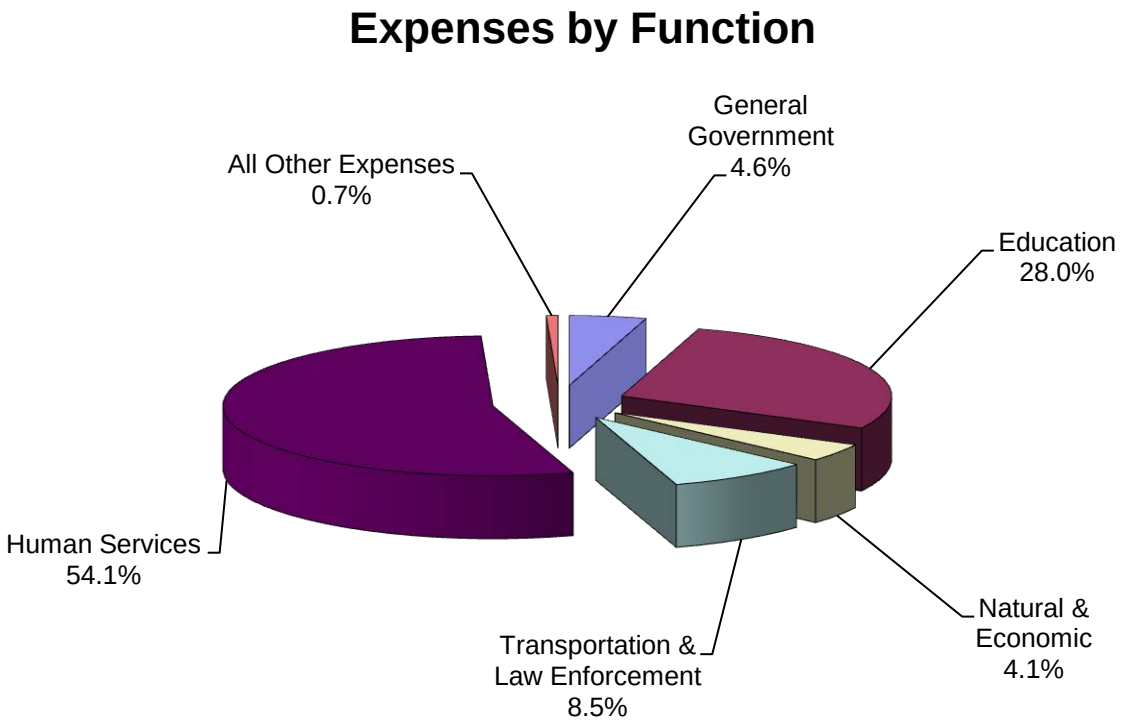
General and program revenues of governmental activities remained relatively constant during the fiscal year.

As shown in the Revenues by Source chart below, approximately 45.7% of revenues from all sources earned came from taxes. Grants and contributions, which represents amounts received from other governments/entities, primarily the federal government, provided 46.0% of total revenue. Charges for services contributed 7.8% and various other revenues provided 0.5% of the remaining governmental activity revenue sources.



The State's governmental activities program expenses decreased $230.0 million during fiscal year 2013. Education expenses decreased $5.2 million, General Government expenses increased $24.9 million, Natural and Economic Resources expenses decreased $120.5 million, Transportation and Law Enforcement expenses decreased $95.4 million, Human Services expenses increased $10.7 million, and all Other Expenses decreased $44.4 million.

As shown in the Expenses by Function chart below, expense for Human Services makes up the largest portion – 54.1% – of total governmental activities expenses.

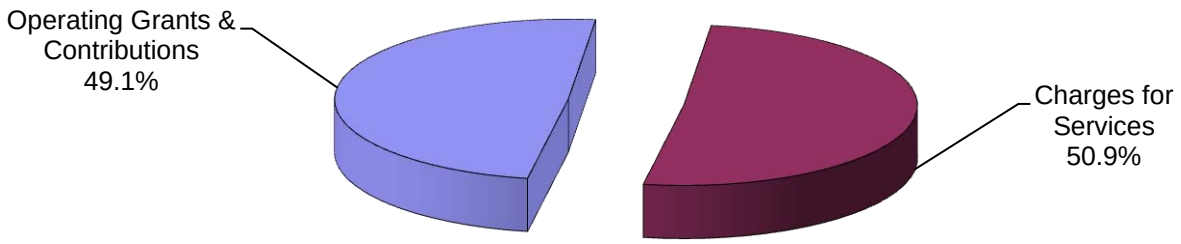


Business-Type Activities

Net position of the State's business-type activities increased $225.3 million in fiscal year 2013. Business-type revenues decreased by $294.7 million during the current fiscal year. Program expenses of business-type activities decreased $366.1 million from fiscal year 2012 to 2013 primarily from a decrease in unemployment compensation expense.

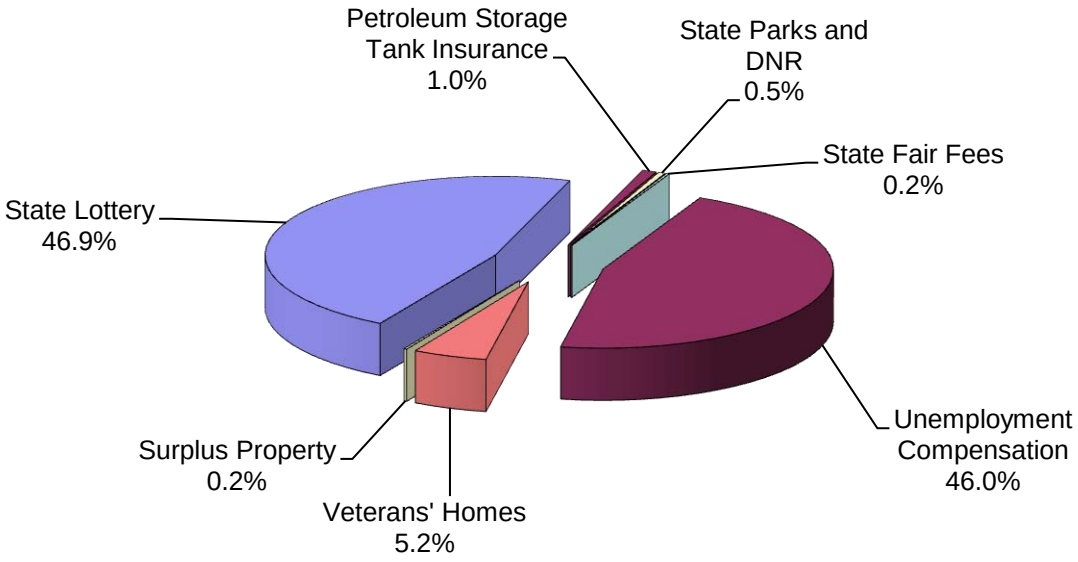
Revenues of business-type activities totaled $2.4 billion. As shown in the Revenues by Source chart below, 50.9% of the revenues came from charges for services. Operating grants and contributions provided 49.1% of the total revenue.

Revenues by Source



Expenses of business-type activities totaled $1.9 billion. As shown in the Expenses by Fund chart below, State Lottery makes up the largest portion with 46.9% of total business-type expenses. The Unemployment Compensation comes in second at 46.0%, followed by veterans' homes at 5.2%, petroleum storage tank insurance at 1.0%, state parks and DNR at 0.5%, state fair fees and surplus property at 0.2%.

Expenses by Fund



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds:

At the end of fiscal year 2013, the State's governmental funds reported combined ending fund balances of $5.0 billion. Approximately 36.6% is unrestricted and available for spending at the government's discretion. The remainder of fund balance is nonspendable and restricted to indicate that it is not available for new spending because it has already been allocated for: 1) inventories, 2) to pay debt service, 3) for loans receivable, and 4) for a variety of other purposes.

Fund balances (in thousands) for governmental funds are as follows:

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Total
Nonspendable	$ 56,048	$ 74	$ 1,041,311	$ 34,841	$ 50,027	$ 1,182,301
Restricted	285,878	227,658	131,045	989,959	326,353	1,960,893
Committed	506,604	6,292	305,935	---	25,579	844,410
Assigned	67,123	55,046	87,720	---	227,996	437,885
Unassigned	530,766	---	---	---	---	530,766
Total	$ 1,446,419	$ 289,070	$ 1,566,011	$ 1,024,800	$ 629,955	$ 4,956,255

The General Fund is the chief operating fund of the State. At the end of fiscal year 2013, the State's General Fund reported a total fund balance of $1.4 billion, an increase in fund balance from fiscal year 2012 of $281.8 million. Total revenues increased by $119.7 million or 0.7%. The major contributing factors to this was a combination of an increase in taxes of $640.6 million combined with a decrease in contributions and intergovernmental revenues of $459.0 million mainly due to a decrease in funding from the federal government relating to the American Recovery and Reinvestment Act which is coming to an end. Total expenditures decreased by $588.3 million. Contributing factors were a decrease in the Federal Fund in spending related to the ending of the American Recovery and Reinvestment Act of $284.9 million across multiple agencies with the majority, $279.2 million, in the Departments of Education, Social Services, and Public Safety and a decrease in the General Fund of $148.7 million in human services relating to a decrease to medical and public assistance payments due to a change in funding from General Revenue Fund to Social Assistance Fund and a decrease in payments to hospitals. Transfer out increased by $164.5 million mainly to Public Education due to increased funding for education in fiscal year 2013.

The Public Education Fund provides general and special education services to the children of the State and other related functions such as library services and student loans. Total fund balance increased by $20.6 million due to an increase of appropriated transfers into the fund as a result of increased funding for education. Transfers into the fund increased by $143.7 million, and the related education expenditures out of the fund increased by $125.7 million.

The Conservation and Environmental Protection Fund provides for the preservation of the State's wildlife and environment. In fiscal year 2013, fund balance increased by $126.7 million mainly due to an increase in cash and investments and an increase in loans receivable. Cash and investments increased $65.8 million due to an increase in the loans being funded with federal Environmental Protection Agency grant funds rather than recycled state funds. Loans receivable increased $58.1 million partly because the Water and Wastewater Loan Program switched from a leveraged loan program to a direct loan program which resulted in a 100% receivable instead of a 70% receivable.

The Missouri Road Fund accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. The fund balance decreased by $84.1 million in fiscal year 2013. Revenues remained relatively flat, except for contributions and intergovernmental which continued to decrease in fiscal year 2013 due to the majority of the projects relating to the American Recovery and Reinvestment Act being completed. Total expenditures for the fund decreased by $266.7 million or 12.4% mainly due to decreases in capital outlays and construction costs, however, expenditures continue to exceed revenues into the fund.

Proprietary Funds:

The State has three major proprietary funds: State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance Fund. The State Lottery Fund was established in 1986 to account for the sale of lottery tickets and lottery operations. Since 1992, public education has been the sole beneficiary of lottery proceeds. Unemployment Compensation accounts for contributions and payments collected from Missouri employers under the provision of the "Unemployment Compensation Law." This tax finances benefits for workers who become unemployed through no fault of their own. The Petroleum Storage Tank Insurance Fund accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks. The fund pays cleanup expenses for petroleum leaks or spills from underground storage tanks and certain above ground storage tanks as well as third party property damage or bodily injury resulting from such discharges. This fund is one of the largest insurers of storage tanks in the country.

The State Lottery Fund's net position decreased by $4.4 million mainly due to increased operating expenses. Total operating expenses increased by 4.9% from $835.6 million in fiscal year 2012 to $876.3 million in fiscal year 2013. Most of the increase is attributable to increased prizes. The net impact of these results for fiscal year 2013 was an increase in the actual cash transfer of profits for public education from $280.0 million to $288.8 million. In addition, the Lottery returned $753.0 million to players in cash and prizes and $70.3 million to retailers in commissions and incentives for the 2013 fiscal year.

The Unemployment Compensation Fund's net position increased by $232.4 million mainly due to a decrease in unemployment rates. The number of weeks of benefits paid decreased by 13%. In addition, the State no longer qualified to distribute the third tier of Emergency Unemployment Compensation because of the lower unemployment rate, which eliminated seven weeks of benefits to eligible claimants. The total number of weeks of benefits paid decreased by 40%. The lower unemployment rate also ended extended benefits, which were paid over $84 million in fiscal year 2012. The federal funding for the Short-Term Compensation Program started in fiscal year 2013 and paid out $8.7 million in benefits.

The Petroleum Storage Tank Insurance Fund's net position decreased by $6.4 million. The decrease is due to load fees not being sufficient to cover expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget is the appropriated budget that is truly agreed to and finally passed by the legislature, and signed by the Governor at the beginning of the fiscal year. The final budget includes emergency and supplemental appropriations, reverted and increases to estimated appropriations, which occur during the fiscal year.

Budgeted appropriations for fiscal year 2013 from the General Fund were $23.7 billion original budget and $24.2 billion final budget. Actual spending was $22.4 billion. Reasons for the final budget variances include:

- Appropriation authority exceeded cash available for expenditures.
- Lapse of various appropriations.
- Multiple year grants are appropriated in one year but the expenditures may occur over several years.

Budgeted revenues/transfers in for fiscal year 2013 for the General Fund were $23.0 billion original budget and $23.2 billion final budget. Actual revenue/transfers in was $22.7 billion.

Refer to the *Notes to RSI*, Budgetary Reporting, on page 106 for more information on budgetary variances.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2013, was $31.9 billion (net of accumulated depreciation/amortization). This investment in capital assets includes construction in progress, software in progress, infrastructure in progress, land, permanent easements, land improvements, temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure.

Capital Assets of the State include (in thousands):

	Governmental Activities	Business-Type Activities	Total
Construction in Progress	$ 304,667	$ 5,894	$ 310,561
Software in Progress	29,644	---	29,644
Infrastructure in Progress	2,853,699	---	2,853,699
Land	2,925,574	9,489	2,935,063
Permanent Easements	2,496	---	2,496
Land Improvements	192,251	12,249	204,500
Temporary Easements	1,936	50	1,986
Buildings and Improvements	3,237,426	31,133	3,268,559
Equipment	1,215,157	51,659	1,266,816
Software	129,576	1,797	131,373
Trademarks	17	---	17
Infrastructure	46,430,272	---	46,430,272
Subtotal	57,322,715	112,271	57,434,986
Less Accumulated Depreciation/Amortization	(25,447,184)	(59,343)	(25,506,527)
Total Capital Assets, Net	$ 31,875,531	$ 52,928	$ 31,928,459

Additional information on capital assets can be found in *Note 5* of this report.

Debt Administration:

At the end of fiscal year 2013, the primary government had total general obligation and other bonded debt outstanding of $3.9 billion. Of this amount, $378.2 million comprises debt backed by the full faith and credit of the government.

Principal amounts retired in fiscal year 2013 were $217.5 million for general obligation bonds and $452.0 million for other bonds.

The State of Missouri is proud to be one of only ten states to maintain a Triple-A credit rating from all three major credit rating agencies (Moody's Investor Services, Inc., Standard and Poor's, and Fitch Ratings, Inc.) on the State's General Obligation Bonds.

Outstanding Bonds Payable of the State include (in thousands):

	Governmental Activities	Component Units	Total
General Obligation Bonds	$ 378,150	$ ---	$ 378,150
Other Bonds	3,562,775	1,811,482	5,374,257
Total	$ 3,940,925	$ 1,811,482	$ 5,752,407

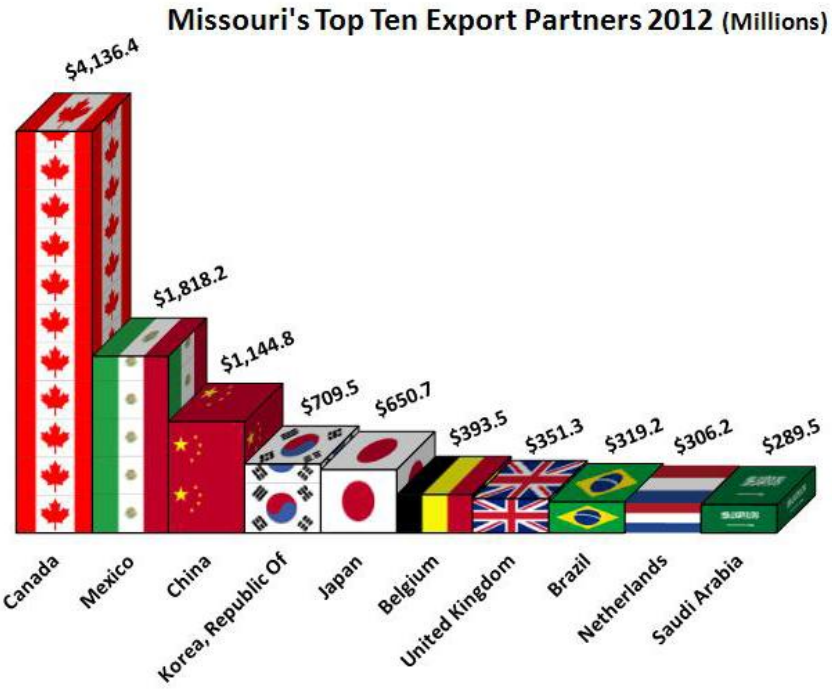
Additional information on long-term debt can be found in *Notes 11, 12, and 13* of this report.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

The State's net general revenue collections made significant improvement during fiscal year 2013. Net general revenue collections increased 10.1% from fiscal year 2012 ending with an amount of $8.1 billion compared to an increase of 3.2% from fiscal year 2011 to fiscal year 2012. The fiscal year 2014 budget, as appropriated in May 2013, would require a decline of 1.9% from fiscal year 2013 in general revenue collections to meet the revenue estimate. The fiscal year 2014 budget was restricted by $400 million, largely due to the potential impact of House Bill 253, which was vetoed by the Governor. The veto was sustained by the Legislature, therefore the Governor released $215.2 million of the restricted funding for areas such as education and mental health. Restrictions remain in place totaling $134 million on two-year capital improvement projects. Many of these restrictions remain in place partially due to a ruling by a national arbitration panel regarding payments to states under the 1998 Tobacco Master Settlement Agreement. Missouri is expected to owe the tobacco companies $70 million, which would be repaid in the form of an offset of the State's next payment that would be received from the tobacco companies. In addition to the tobacco settlement, restrictions remain due to revenues that were built into the budget for a tax amnesty program. However, the program was not enacted, therefore those revenues will not be realized and expenditure restrictions remain to balance the budget.

The outlook for general revenue for fiscal year 2013 remains solid, moving consistently with the U.S. economy. While most economic forecasts anticipate the eventual return of stronger growth, it remains unclear when this growth may gather speed. Much depends on the timing and details of the federal deficit resolution. Equity markets have reached record levels this year as fiscal troubles in the European Union have remained contained, but markets could react severely if stateside fiscal problems are not addressed. Consumers remain constrained and job growth is improving but remains limited, especially among public employers hampered by reduced revenues and curtailed stimulus funding.

Missouri exports remain strong. Exports have grown every year from 2009 to 2011 and reached records levels. Overall, exports in 2012 went down by 2% from the prior year, but increasing exports remains a high priority for creating jobs in Missouri. New trade agreements between Missouri and the Republic of Korea and the Republic of China (Taiwan) have been entered into that would create $1.9 billion in sales of Missouri goods over the next four years. In addition to these agreements, Missouri has signed agreements with China in 2011 and Brazil in 2012 which have resulted agreements to sell $4.6 billion in Missouri goods. Over the past two years, Missouri's export sales have been at record highs. To continue this momentum, the fiscal year 2014 budget includes an increase of $2.3 million in funding to help businesses identify and access new export opportunities. The following graph shows the top exports partners (in millions of dollars):



Source: Missouri Economic Research and Information Center/Realty Trac

Despite the current national economic situation, Missouri's financial position continues to be strong. Conservative fiscal management, including Missouri's constitutional provisions for the Governor to line item veto and restrict expenditures below appropriated levels, will ensure the fiscal year 2014 budget is balanced.

Missouri sustained several natural disasters in 2011, including flooding and tornadoes. In addition, the State also had a drought in 2012. The State will be aiding in the relief from these disasters with much of the costs being paid during fiscal year 2014. The State and local share of eligible costs is anywhere from 10 to 25 percent of the total clean-up or restoration costs.

The fiscal year 2014 budget recommendations included funding to expand Medicaid coverage pursuant to the federal Affordable Care Act. The proposal to provide additional Medicaid coverage required both statutory and budgetary changes by the legislature, neither of which were approved in the 2013 legislative session. The legislature has created several committees to study Medicaid. Authorization of additional Medicaid coverage during the 2014 legislative session could impact the fiscal year 2015 budget, since people who are currently covered under state only programs would become eligible for Medicaid and their services would be eligible for federal funding. Failure to authorize expansion of Medicaid coverage may negatively impact future state budgets.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Administration, Division of Accounting, P.O. Box 809, Jefferson City, MO 65102.

*The **Basic Financial Statements** include the Government-Wide Financial Statements, the Governmental Fund Financial Statements, the Proprietary Fund Financial Statements, the Fiduciary Fund Financial Statements, the Component Unit Financial Statements, and the accompanying notes to the statements.*

STATE OF MISSOURI
STATEMENT OF NET POSITION
June 30, 2013
(In Thousands of Dollars)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and Cash Equivalents (Note 3)	$ 1,179,606	$ 49,563	$ 1,229,169	$ 354,144
Investments (Note 3)	2,881,376	98,037	2,979,413	1,998,120
Invested Securities Lending Collateral (Note 3)	212,193	7,018	219,211	24,480
Receivables, Net (Note 14)	3,425,252	240,205	3,665,457	501,950
Internal Balances	6,743	(6,743)	---	---
Inventories	77,190	1,638	78,828	55,532
Deposits and Prepaid Expenses	106	138	244	33,845
Restricted Assets:				
Cash and Cash Equivalents (Note 3)	27,933	---	27,933	152,297
Investments (Note 3)	45,885	46,178	92,063	1,158,338
Receivables, Net	---	---	---	87,155
Deferred Costs and Other Assets	70,583	---	70,583	18,110
Capital Assets (Note 5):				
Non-Depreciable	6,116,080	15,383	6,131,463	520,541
Depreciable, Net	25,759,451	37,545	25,796,996	4,338,888
Total Assets	39,802,398	488,962	40,291,360	9,243,400
Deferred Outflows of Resources				
Deferred for Refunding	---	---	---	1,738
Cash Flow Hedge	---	---	---	21,736
Accumulated Decrease in Fair Value of Hedging Derivatives	---	---	---	318
Total Deferred Outflows of Resources	---	---	---	23,792
Liabilities				
Bank Overdraft (Notes 3 and 10)	8	---	8	---
Payables (Note 14)	1,369,192	20,294	1,389,486	669,759
Securities Lending Obligation (Note 3)	212,193	7,018	219,211	24,480
Unearned Revenue (Note 1)	154,092	1,093	155,185	127,012
Escheat/Unclaimed Property	98,397	---	98,397	---
Long-Term Liabilities (Note 11):				
Due Within One Year	566,578	358,982	925,560	441,646
Due in More Than One Year	6,603,474	161,215	6,764,689	1,846,460
Total Liabilities	9,003,934	548,602	9,552,536	3,109,357
Net Position				
Net Investment in Capital Assets	28,494,527	52,644	28,547,171	2,835,709
Restricted for:				
Budget Reserve	501,322	---	501,322	---
Debt Service	381,760	---	381,760	---
Grants	279,526	---	279,526	---
Enabling Legislation (Note 1)	543,156	---	543,156	---
Loans Receivable	1,078,761	---	1,078,761	---
Permanent Trusts:				
Expendable	100	---	100	---
Non-Expendable	44,038	---	44,038	---
College and Universities:				
Expendable		---	---	475,606
Non-Expendable		---	---	898,474
External Parties	998,229	5,630	1,003,859	84,670
Unrestricted	(1,522,955)	(117,914)	(1,640,869)	1,863,376
Total Net Position	$ 30,798,464	$ (59,640)	$ 30,738,824	$ 6,157,835

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental Activities:								
General Government	$ 1,053,888	$ 903,309	$ 91,227	$ 223	$ (59,129)	$ ---	$ (59,129)	$ ---
Education	6,368,513	47,392	1,221,131	---	(5,099,990)	---	(5,099,990)	---
Natural and Economic Resources	933,473	223,475	480,739	37	(229,222)	---	(229,222)	---
Transportation and Law Enforcement	1,925,985	218,553	358,231	1,032,532	(316,669)	---	(316,669)	---
Human Services	12,310,204	420,658	7,553,157	57	(4,336,332)	---	(4,336,332)	---
Interest on Debt (Excluding Direct Expense)	163,473	16,380	---	---	(147,093)	---	(147,093)	---
Total Governmental Activities	22,755,536	1,829,767	9,704,485	1,032,849	(10,188,435)	---	(10,188,435)	---
Business-Type Activities:								
State Lottery	876,308	1,156,235	---	---	---	279,927	279,927	---
Unemployment Compensation	858,697	---	1,115,155	---	---	256,458	256,458	---
Petroleum Storage Tank Insurance	18,080	11,912	---	---	---	(6,168)	(6,168)	---
State Fair Fees	3,969	4,448	143	---	---	622	622	---
State Parks and DNR	8,951	9,868	2,487	---	---	3,404	3,404	---
Historic Preservation	388	---	---	---	---	(388)	(388)	---
Missouri Veterans' Homes	96,989	26,101	54,629	---	---	(16,259)	(16,259)	---
Surplus Property	3,013	3,335	110	---	---	432	432	---
Revenue Information	32	1,345	---	---	---	1,313	1,313	---
Total Business-Type Activities	1,866,427	1,213,244	1,172,524	---	---	519,341	519,341	---
Total Primary Government	$ 24,621,963	$ 3,043,011	$ 10,877,009	$ 1,032,849	(10,188,435)	519,341	(9,669,094)	---
Component Units:								
College and Universities	$ 3,855,176	$ 2,503,496	$ 1,424,484	$ 30,180	---	---	---	102,984
Non-Major Component Units	10,234	9,165	---	---	---	---	---	(1,069)
Total Component Units	$ 3,865,410	$ 2,512,661	$ 1,424,484	$ 30,180	---	---	---	101,915
General Revenues:								
Taxes:								
Sales and Use					2,883,808	---	2,883,808	---
Individual Income					5,833,218	---	5,833,218	---
Corporate Income					429,791	---	429,791	---
County Foreign Insurance					175,209	---	175,209	---
Alcoholic Beverage					30,293	---	30,293	---
Corporate Franchise					51,443	---	51,443	---
Fuel					648,979	---	648,979	---
Miscellaneous Taxes					630,379	---	630,379	---
Grants and Contributions not Restricted to Specific Programs					122,277	---	122,277	---
Unrestricted Investment Earnings					(15,323)	(3,138)	(18,461)	157,947
Capital Contributions					---	35	35	---
Transfers					290,900	(290,900)	---	---
Total General Revenues and Transfers					11,080,974	(294,003)	10,786,971	157,947
Change in Net Position					892,539	225,338	1,117,877	259,862
Net Position - Beginning					29,905,925	(284,978)	29,620,947	5,897,973
Net Position - Ending					$ 30,798,464	$ (59,640)	$ 30,738,824	$ 6,157,835

The notes to the financial statements are an integral part of this statement.

*The **Governmental Funds** focus on current financial resources.*

Governmental Fund Financial Statements

Major Funds

General Fund – Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Major Special Revenue Funds:

Public Education – Provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection – Provides for the preservation of the State's wildlife and environment.

Major Capital Projects Fund:

Missouri Road Fund – Accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. This also includes the following blended component unit: Missouri Highway 63 Transportation Corporation.

Non-Major Funds

Non-Major Governmental Funds are presented in the Combining and Individual Fund Statements and Schedules for non-major funds as part of Supplementary Information.

STATE OF MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013
(In Thousands of Dollars)

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Totals June 30, 2013
ASSETS						
Cash and Cash Equivalents (Note 3)	$ 348,080	$ 44,348	$ 118,787	$ 349,829	$ 129,705	$ 990,749
Investments (Note 3)	1,175,990	139,776	379,727	610,804	392,525	2,698,822
Invested Securities Lending Collateral (Note 3)	82,891	9,832	36,839	53,591	27,517	210,670
Accounts Receivable, Net	1,819,305	134,916	45,201	111,698	170,216	2,281,336
Interest Receivable	2,811	278	2,929	1,230	561	7,809
Due from Other Funds (Note 15)	---	3,204	141	---	1,264	4,609
Due from Component Units (Note 15)	---	---	689	---	---	689
Inventories	20,554	74	500	34,841	3,533	59,502
Advance to Component Units (Note 15)	---	---	3,082	---	---	3,082
Loans Receivable	35,494	---	1,040,811	---	2,456	1,078,761
Restricted Assets:						
Cash and Cash Equivalents (Note 3)	---	---	---	26,107	---	26,107
Investments (Note 3)	---	---	---	45,585	---	45,585
Total Assets	$ 3,485,125	$ 332,428	$ 1,628,706	$ 1,233,685	$ 727,777	$ 7,407,721
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 1,043,836	$ 1,660	$ 3,498	$ 92,360	$ 50,137	$ 1,191,491
Accrued Payroll	58,173	212	4,749	15,625	10,647	89,406
Due to Other Funds (Note 15)	15,890	19	447	320	1,806	18,482
Due to Component Units (Note 15)	---	---	---	5,394	---	5,394
Securities Lending Obligation (Note 3)	82,891	9,832	36,839	53,591	27,517	210,670
Deferred Revenue (Note 1)	739,519	31,635	17,162	37,487	7,715	833,518
Escheat/Unclaimed Property	98,397	---	---	---	---	98,397
Advance from Component Units (Note 15)	---	---	---	4,108	---	4,108
Total Liabilities	2,038,706	43,358	62,695	208,885	97,822	2,451,466
Fund Balances (Note 4):						
Nonspendable	56,048	74	1,041,311	34,841	50,027	1,182,301
Restricted	285,878	227,658	131,045	989,959	326,353	1,960,893
Committed	506,604	6,292	305,935	---	25,579	844,410
Assigned	67,123	55,046	87,720	---	227,996	437,885
Unassigned	530,766	---	---	---	---	530,766
Total Fund Balances	1,446,419	289,070	1,566,011	1,024,800	629,955	4,956,255
Total Liabilities and Fund Balances	$ 3,485,125	$ 332,428	$ 1,628,706	$ 1,233,685	$ 727,777	$ 7,407,721

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2013
(In Thousands of Dollars)

Total Fund Balances - Governmental Funds		$ 4,956,255
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental funds are not financial resources and they are not reported in the funds. These assets consist of (Note 5):		
Construction in Progress	304,395	
Software in Progress	29,479	
Infrastructure in Progress	2,853,699	
Land	2,917,853	
Permanent Easements	2,496	
Land Improvements	189,137	
Temporary Easements	1,936	
Buildings and Improvements	2,740,966	
Equipment	1,097,462	
Software	114,302	
Trademarks	17	
Infrastructure	46,430,272	
Accumulated Depreciation/Amortization	(25,187,011)	
		31,495,003
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds (Note 1).		708,438
Bonds issued by the State have associated costs that are paid from current available financial resources in the funds. However, these costs are deferred on the Statement of Net Position.		70,583
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of (Note 11):		
Due to Other Entities	(26,493)	
General Obligation and Other Bonds Payable	(3,940,925)	
Unamortized Bond Premium	(163,552)	
Accrued Interest on Bonds	(46,924)	
Obligation under Lease Purchases	(131,418)	
Pollution Remediation	(11,212)	
Compensated Absences	(151,736)	
Claims Liability	(18,314)	
Contingent Liabilities	(1,693,122)	
Net Other Postemployment Benefit Obligation	(721,392)	
Net Pension Obligation	(121,078)	
		(7,026,166)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Position.		594,351
Net Position of Governmental Activities		$ 30,798,464

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Eliminations	Totals June 30, 2013
Revenues:							
Taxes	$ 8,080,658	$ 1,172,452	$ 186,413	$ 125,301	$ 993,007	$ ---	$ 10,557,831
Licenses, Fees, and Permits	85,759	1,961	78,234	97,408	383,873	---	647,235
Sales	1,316	---	7,682	---	1,263	---	10,261
Leases and Rentals	12	---	925	---	275	---	1,212
Services	114,733	---	---	---	486	---	115,219
Contributions and Intergovernmental	9,416,472	90,902	145,171	922,690	285,131	---	10,860,366
Investment Earnings:							
Net Increase (Decrease) in the Fair Value of Investments	(11,518)	(1,513)	(4,099)	(4,877)	(3,599)	---	(25,606)
Interest	13,896	1,034	7,012	3,448	2,449	---	27,839
Penalties and Unclaimed Properties	97,914	6,376	3,171	---	5,499	---	112,960
Cost Reimbursement/ Miscellaneous	386,583	104,847	2,927	132,155	61,099	---	687,611
Total Revenues	18,185,825	1,376,059	427,436	1,276,125	1,729,483	---	22,994,928
Expenditures:							
Current:							
General Government	660,324	1,033	1,923	---	221,062	---	884,342
Education	1,917,923	4,431,364	---	---	2,647	---	6,351,934
Natural and Economic Resources	345,141	3,201	294,370	---	174,356	---	817,068
Transportation and Law Enforcement	370,833	132	730	744,011	290,803	---	1,406,509
Human Services	11,526,089	9,185	690	---	626,065	---	12,162,029
Capital Outlay:							
General Government	---	---	---	---	8	---	8
Transportation and Law Enforcement	---	---	---	959,305	3,696	---	963,001
Debt Service:							
Principal	21,550	---	---	108,823	85,644	---	216,017
Interest	24,946	---	---	70,621	94,353	---	189,920
Bond Issuance Costs	391	---	---	7	522	---	920
Underwriter's Discount	2,243	---	---	---	180	---	2,423
Total Expenditures	14,869,440	4,444,915	297,713	1,882,767	1,499,336	---	22,994,171
Excess Revenues (Expenditures)	3,316,385	(3,068,856)	129,723	(606,642)	230,147	---	757
Other Financing Sources (Uses):							
Proceeds from Notes/Capital Leases	580	---	---	116	16	---	712
Issuance of Refunding Bonds	278,835	---	---	---	162,855	---	441,690
Payments to Escrow Agent	(304,967)	---	---	---	(181,937)	---	(486,904)
Bond Premium (Note 11)	28,766	---	---	---	19,510	---	48,276
Proceeds from Sale of Capital Assets	445	---	14	13,289	5,562	---	19,310
Transfers In (Note 16)	42,962	3,116,028	---	509,144	310,292	(3,665,831)	312,595
Transfers Out (Note 16)	(3,077,006)	(26,510)	(3,012)	---	(581,149)	3,665,831	(21,846)
Total Other Financing Sources (Uses)	(3,030,385)	3,089,518	(2,998)	522,549	(264,851)	---	313,833
Net Change in Fund Balances	286,000	20,662	126,725	(84,093)	(34,704)	---	314,590
Fund Balances - Beginning (Note 17)	1,164,658	268,423	1,439,348	1,108,893	664,745	---	4,646,067
Increase (Decrease) in Reserve for Inventory	(4,239)	(15)	(62)	---	(86)	---	(4,402)
Fund Balances - Ending	$ 1,446,419	$ 289,070	$ 1,566,011	$ 1,024,800	$ 629,955	$ ---	$ 4,956,255

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES IN GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

Net Change in Fund Balances - Total Governmental Funds		$	314,590
Amounts reported for governmental activities in the Statement of Activities are different because:			
Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government-wide statement.			(4,402)
Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount that capital outlays of $964,544 exceeds depreciation/amortization of $546,637 in the current period.			417,907
The net effect of the donation of capital assets increased net position.			1,053
Deferred revenues do not provide current financial resources and are not recognized as revenues until available in governmental funds.			111,795
Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the Combined Statement of Net Position (Note 11):			
Bonds Issued	(441,690)		
Bond Premiums, Issuance, and Refunding Costs	(23,914)		
Bonds Retired	669,450		
Capital Leases Issued	(696)		
Capital Lease Payments	9,746		
			212,896
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds (Note 11):			
Amortization of Bond Premiums, Issuance, and Refunding Costs	15,880		
Decrease in Accrued Interest	7,496		
Decrease in Due to Other Entities	1,984		
Increase in Pollution Remediation	(22)		
Increase in Compensated Absences	(827)		
Increase in Contingent Liabilities	(75,443)		
Increase in Claims Liability	(1,427)		
Increase in Net Other Postemployment Benefit Obligation	(126,637)		
Increase in Net Pension Obligation	(1,978)		
			(180,974)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue and expense of internal service funds are reported with governmental activities.			19,674
Change in Net Position of Governmental Activities		$	892,539

The notes to the financial statements are an integral part of this statement.

*The **Proprietary Funds** focus on economic resources and are operated in a manner similar to private business enterprises.*

Proprietary Fund Financial Statements

Major Funds

State Lottery – Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation – Accounts for contributions and payments collected under the provisions of the "Unemployment Compensation Law" to pay benefits.

Petroleum Storage Tank Insurance – Accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

Non-Major Funds

Non-major enterprise funds and all internal service funds are presented in our combining non-major fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					
	Major Funds				Totals	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2013	Governmental Activities - Internal Service Funds
ASSETS						
Current Assets:						
Cash and Cash Equivalents (Note 3)	$ 9,227	$ 15,771	$ 14,682	$ 9,883	$ 49,563	$ 188,857
Investments (Note 3)	10,610	---	52,128	35,299	98,037	67,142
Restricted:						
Investments (Note 3)	6,501	---	---	---	6,501	300
Invested Securities Lending Collateral (Note 3)	760	---	3,732	2,526	7,018	1,523
Accounts Receivable, Net	43,934	187,900	1,524	6,106	239,464	53,484
Interest Receivable	23	---	112	15	150	90
Due from Other Funds (Note 15)	---	---	---	182	182	18,818
Due from Component Units (Note 15)	---	---	---	---	---	1
Inventories	---	---	---	1,638	1,638	17,688
Prepaid Items	138	---	---	---	138	106
Loans Receivable	---	---	---	591	591	---
Total Current Assets	71,193	203,671	72,178	56,240	403,282	348,009
Non-Current Assets:						
Investments	---	---	---	---	---	115,412
Restricted:						
Cash and Cash Equivalents (Note 3)	---	---	---	---	---	1,826
Investments (Note 3)	39,677	---	---	---	39,677	---
Capital Assets (Note 5):						
Construction in Progress	---	---	---	5,894	5,894	272
Software in Progress	---	---	---	---	---	165
Land	353	---	---	9,136	9,489	7,721
Land Improvements	---	---	---	12,249	12,249	3,114
Temporary Easements	---	---	---	50	50	---
Buildings	5,221	---	---	25,912	31,133	496,460
Equipment	8,165	---	192	43,302	51,659	117,695
Software	1,783	---	---	14	1,797	15,274
Less Accumulated Depreciation/Amortization	(12,398)	---	(171)	(46,774)	(59,343)	(260,173)
Total Non-Current Assets	42,801	---	21	49,783	92,605	497,766
Total Assets	113,994	203,671	72,199	106,023	495,887	845,775
LIABILITIES						
Current Liabilities:						
Bank Overdraft (Note 3 and 10)	---	---	---	---	---	8
Accounts Payable	3,186	12,183	21	2,331	17,721	29,699
Accrued Payroll	276	---	27	2,270	2,573	2,170
Due to Other Funds (Note 15)	3,262	1,264	1	92	4,619	508
Securities Lending Obligation (Note 3)	760	---	3,732	2,526	7,018	1,523
Unearned Revenue (Note 1)	516	---	550	27	1,093	29,012
Loans Payable	---	277,045	---	---	277,045	---
Claims Liability (Note 11)	---	---	15,000	---	15,000	68,340
Grand Prize Winner Liability (Note 11)	62,868	---	---	---	62,868	---
Obligations under Lease Purchase (Note 11)	---	---	---	69	69	6,694
Compensated Absences (Note 11)	627	---	57	3,316	4,000	4,502
Total Current Liabilities	71,495	290,492	19,388	10,631	392,006	142,456
Non-Current Liabilities:						
Loans Payable	---	31,500	---	---	31,500	---
Claims Liability (Note 11)	---	---	95,394	---	95,394	62,806
Grand Prize Winner Liability (Note 11)	34,044	---	---	---	34,044	---
Obligations under Lease Purchase (Note 11)	---	---	---	215	215	47,678
Compensated Absences (Note 11)	---	---	31	31	62	790
Total Non-Current Liabilities	34,044	31,500	95,425	246	161,215	111,274
Total Liabilities	105,539	321,992	114,813	10,877	553,221	253,730
NET POSITION						
Net Investment in Capital Assets	3,124	---	21	49,499	52,644	326,156
Restricted for:						
Capital	---	---	---	---	---	1,011
Other Purposes	5,630	---	---	---	5,630	1,115
Unrestricted	(299)	(118,321)	(42,635)	45,647	(115,608)	263,763
Total Net Position	$ 8,455	$ (118,321)	$ (42,614)	$ 95,146	$ (57,334)	$ 592,045
				Total Net Position Reported Above	$ (57,334)	
				Consolidation Adjustment of Internal Service Activities Related to Enterprise Funds	(2,306)	
				Net Position of Business-Type Activities	$ (59,640)	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds						
	Major Funds					Totals	Governmental Activities -
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	Eliminations	June 30, 2013	Internal Service Funds
Operating Revenues:							
Employer Contributions	$ ---	$ 777,420	$ ---	$ ---	$ ---	$ 777,420	$ 434,971
Employee Contributions	---	---	---	---	---	---	164,185
Federal Contracts	---	337,735	---	---	---	337,735	---
Medicare Part D Subsidy	---	---	---	---	---	---	4,566
Licenses, Fees, and Permits	---	---	11,910	8,036	---	19,946	13,799
Sales	1,155,529	---	---	5,611	---	1,161,140	26,839
Leases and Rentals	---	---	---	3,450	---	3,450	105,120
Charges for Services	---	---	---	25,865	---	25,865	113,198
Cost Reimbursement/Miscellaneous	706	---	2	2,021	---	2,729	7,343
Total Operating Revenues	1,156,235	1,115,155	11,912	44,983	---	2,328,285	870,021
Operating Expenses:							
Cost of Goods Sold	16,396	---	---	2,338	---	18,734	25,334
Personal Service	9,381	---	1,494	78,686	---	89,561	79,424
Operations	80,926	---	3,547	27,646	---	112,119	164,239
Prizes Expense	752,965	---	---	---	---	752,965	---
Specific Programs	---	---	13,039	939	---	13,978	12,832
Insurance Benefits	---	---	---	---	---	---	541,487
Unemployment Benefits	---	857,104	---	---	---	857,104	---
Depreciation/Amortization	1,189	---	7	3,749	---	4,945	23,687
Other Charges	15,486	---	---	359	---	15,845	1,655
Total Operating Expenses	876,343	857,104	18,087	113,717	---	1,865,251	848,658
Operating Income (Loss)	279,892	258,051	(6,175)	(68,734)	---	463,034	21,363
Non-Operating Revenues (Expenses):							
Contributions and Intergovernmental	(21)	---	---	57,369	---	57,348	54
Interest Expense	---	(1,593)	---	(3)	---	(1,596)	(1,687)
Investment Earnings:							
Net Increase (Decrease) in the Fair Value of Investments	(4,170)	---	(594)	(396)	---	(5,160)	(2,656)
Interest	88	1,470	408	56	---	2,022	2,949
Penalties and Unclaimed Properties	---	---	---	1	---	1	10
Disposal of Capital Assets	24	---	---	330	---	354	(31)
Total Non-Operating Revenues (Expenses)	(4,079)	(123)	(186)	57,357	---	52,969	(1,361)
Income (Loss) Before Transfers	275,813	257,928	(6,361)	(11,377)	---	516,003	20,002
Capital Contributions (Note 16)	---	---	---	35	---	35	---
Transfers In (Note 16)	21	5,573	---	16,147	(46)	21,695	229
Transfers Out (Note 16)	(280,203)	(31,113)	---	(1,325)	46	(312,595)	(357)
Change in Net Position	(4,369)	232,388	(6,361)	3,480	---	225,138	19,874
Total Net Position - Beginning (Note 17)	12,824	(350,709)	(36,253)	91,666	---	(282,472)	572,171
Total Net Position - Ending (Note 18)	$ 8,455	$ (118,321)	$ (42,614)	$ 95,146	$ ---	$ (57,334)	$ 592,045
					Total Net Change in Net Assets Reported Above	$ 225,138	
					Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds	200	
					Change in Net Assets of Business-Type Activities	$ 225,338	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					
	Major Funds				Totals	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2013	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	$ ---	$ ---	$ ---	$ 922	$ 922	$ 658,068
Receipts from External Customers and Users	1,155,459	1,120,666	12,167	42,026	2,330,318	196,450
Payments to Suppliers	(97,341)	---	(3,535)	(29,747)	(130,623)	(195,485)
Payments to Employees	(9,322)	---	(1,433)	(78,406)	(89,161)	(79,061)
Payments Made for Program Expense	(754,617)	(1,113,516)	(10,834)	(939)	(1,879,906)	(557,533)
Other Receipts (Payments)	(14,780)	---	2	1,662	(13,116)	5,688
Net Cash Provided (Used) by Operating Activities	279,399	7,150	(3,633)	(64,482)	218,434	28,127
Cash Flows from Non-Capital Financing Activities:						
Loans Made to Outside Entities	---	---	---	14	14	---
Due to/from Other Funds	(8,580)	(213)	---	(65)	(8,858)	1,715
Contributions and Intergovernmental	(21)	---	---	57,369	57,348	54
Transfers to/from Other Funds	(280,182)	(25,540)	---	14,822	(290,900)	(128)
Net Cash Provided (Used) by Non-Capital Financing Activities	(288,783)	(25,753)	---	72,140	(242,396)	1,641
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	---	(1,593)	---	(3)	(1,596)	(1,687)
Purchases and Construction of Capital Assets	(871)	---	(1)	(6,199)	(7,071)	(5,067)
Capital Lease Downpayment/Obligations	---	---	---	(72)	(72)	(4,866)
Disposal of Capital Assets	24	---	---	---	24	917
Net Cash Provided (Used) by Capital and Related Financing Activities	(847)	(1,593)	(1)	(6,274)	(8,715)	(10,703)
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	8,485	---	277	574	9,336	946,680
Purchase of Investments	---	---	---	(3,020)	(3,020)	(953,027)
Interest and Dividends Received	91	1,470	461	64	2,086	2,995
Investment Fees	---	---	---	---	---	(48)
Penalties and Other Receipts	---	---	---	1	1	10
Net Cash Provided (Used) by Investing Activities	8,576	1,470	738	(2,381)	8,403	(3,390)
Net Increase (Decrease) in Cash	(1,655)	(18,726)	(2,896)	(997)	(24,274)	15,675
Cash and Cash Equivalents, Beginning of Year	10,882	34,497	17,578	10,880	73,837	175,000
Cash and Cash Equivalents, End of Year	$ 9,227	$ 15,771	$ 14,682	$ 9,883	$ 49,563	$ 190,675
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	$ 279,892	$ 258,051	$ (6,175)	$ (68,734)	$ 463,034	$ 21,363
Depreciation/Amortization Expense	1,189	---	7	3,749	4,945	23,687
Changes in Assets and Liabilities:						
Accounts Receivable	(198)	5,511	263	(41)	5,535	(2,840)
Inventories	---	---	---	(66)	(66)	1,647
Prepaid Items	6	---	---	---	6	16
Accounts Payable	(25)	(2,152)	12	303	(1,862)	(7,576)
Accrued Payroll	14	---	9	60	83	101
Loans Payable	---	(254,260)	---	---	(254,260)	---
Unearned Revenue	128	---	(6)	27	149	(5,320)
Grand Prize Winner Liability	(1,652)	---	---	---	(1,652)	---
Claims Liability	---	---	2,205	---	2,205	(3,213)
Compensated Absences	45	---	52	220	317	262
Net Cash Provided (Used) by Operating Activities	$ 279,399	$ 7,150	$ (3,633)	$ (64,482)	$ 218,434	$ 28,127
Non-Cash Financing and Investing Activities:						
Capital Lease Issuance	$ ---	$ ---	$ ---	$ ---	$ ---	$ 11,561
Capital Asset Donations	21	---	---	237	258	88
Increase (Decrease) in Fair Value of Investments	(4,170)	---	(594)	(396)	(5,160)	(2,656)
Net Non-Cash Financing and Investing Activities	$ (4,149)	$ ---	$ (594)	$ (159)	$ (4,902)	$ 8,993

The notes to the financial statements are an integral part of this statement.

*The **Fiduciary Funds** account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.*

Individual fund financial statements for pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds are presented as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2013
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents (Note 3)	$ 1,206,847	$ 8,935	$ 49,037
Investments at Fair Value (Note 3):			
U.S. Government Securities	747,557	2,415	475,302
U.S. Agency Sponsored Securities	27,534	21,672	3,308
Repurchase Agreements	---	---	20,031
Stocks	916,330	72	16
Bonds	124,617	---	---
International Equities	933,431	---	---
Mutual and Index Funds	1,675,559	---	---
Venture Capital Limited Partnership	5,310,895	---	---
Other Investments	565,826	8,193	1,251
Invested Securities Lending Collateral (Note 3)	554,095	2,312	353
Receivables:			
Accounts Receivable	97,960	---	348,057
Interest Receivable	3,588	11	27
Inventories	---	2	---
Prepaid Expenses	175	---	---
Capital Assets:			
Land	352	---	---
Buildings	4,642	---	---
Equipment	1,891	55	---
Software	3,549	8	---
Accumulated Depreciation/Amortization	(4,251)	(52)	---
Total Capital Assets, Net	6,183	11	---
Total Assets	12,170,597	43,623	$ 897,382
LIABILITIES			
Accounts Payable	82,495	882	31
Accrued Payroll	---	22	---
Due to Other Entities	---	---	864,809
Due to Individuals	---	---	32,189
Securities Lending Obligation (Note 3)	548,599	2,312	353
Unearned Revenue (Note 1)	4,202	---	---
Claims Liability	8,569	---	---
Compensated Absences	1,010	39	---
Total Liabilities	644,875	3,255	$ 897,382
Net Position Held in Trust for Benefits and Other Purposes	$ 11,525,722	$ 40,368	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds
Additions:		
Contributions:		
Employer	$ 534,911	$ ---
Plan Member	114,815	---
Other	48,298	---
Investment Earnings:		
Increase (Decrease) in Appreciation of Assets	1,033,933	(328)
Interest and Dividends	239,096	43
Securities Lending Income	1,476	---
Total Investment Earnings	1,274,505	(285)
Less Investment Expenses:		
Investment Activity Expense	(161,780)	---
Securities Lending Expense	(280)	---
Total Investment Expense	(162,060)	---
Net Investment Earnings	1,112,445	(285)
Unclaimed Property	---	49,913
Cost Reimbursement/Miscellaneous	2,099	13,545
Total Additions	1,812,568	63,173
Deductions:		
Benefits	1,039,353	---
Administrative Expenses	18,743	1,781
Program Distributions	72,084	51,343
Service Transfer Payments	1,912	---
Depreciation/Amortization	617	6
Total Deductions	1,132,709	53,130
Change in Net Position	679,859	10,043
Net Position held in Trust - Beginning of Year (Note 17)	10,845,863	30,325
Net Position held in Trust - End of Year	$ 11,525,722	$ 40,368

The notes to the financial statements are an integral part of this statement.

*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Component Unit Financial Statements

Major

College and Universities

Non-Major

Non-Major proprietary component unit statements are found in the combining fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2013
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2013
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 320,949	$ 33,195	$ 354,144
Investments	455,727	11,391	467,118
Invested Securities Lending Collateral	24,428	52	24,480
Receivables, Net	327,686	2,102	329,788
Inventories	55,532	---	55,532
Restricted Assets:			
Cash and Cash Equivalents	121,716	421	122,137
Investments	46,513	679	47,192
Receivables, Net	10,439	13,284	23,723
Due From Primary Government (Note 15)	---	5,394	5,394
Deposits and Prepaid Expenses	32,630	1,215	33,845
Deferred Costs and Other Assets	510	---	510
Total Current Assets	1,396,130	67,733	1,463,863
Non-Current Assets:			
Investments	1,526,022	4,980	1,531,002
Receivables, Net	129,544	42,618	172,162
Restricted Assets:			
Cash and Cash Equivalents	13,158	17,002	30,160
Investments	1,110,646	500	1,111,146
Receivables, Net	1,485	52,445	53,930
Advance to Primary Government (Note 15)	---	4,108	4,108
Deferred Costs and Other Assets	17,531	69	17,600
Capital Assets, Net of Accumulated Depreciation/Amortization (Note 5)	4,787,618	71,811	4,859,429
Total Non-Current Assets	7,586,004	193,533	7,779,537
Total Assets	8,982,134	261,266	9,243,400
DEFERRED OUTFLOWS OF REVENUES			
Deferred for Refunding	1,738	---	1,738
Cash Flow Hedge	21,736	---	21,736
Accumulated Decrease in Fair Value of Hedging Derivatives	---	318	318
Total Deferred Outflows of Revenues	23,474	318	23,792
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	389,223	355	389,578
Due to Primary Government (Note 15)	---	690	690
Securities Lending Obligation	24,428	52	24,480
Unearned Revenue (Note 1)	117,914	3	117,917
Deposits	72,668	---	72,668
Claims Liability (Note 20)	42,472	---	42,472
Compensated Absences	64,879	55	64,934
Other Postemployment Obligations, Net	301	---	301
Capital Lease Obligations (Note 6)	3,978	---	3,978
Bonds and Notes Payable (Note 12)	329,781	180	329,961
Total Current Liabilities	1,045,644	1,335	1,046,979
Non-Current Liabilities:			
Accounts Payable and Accrued Liabilities	191,891	---	191,891
Advance from Primary Government (Note 15)	---	3,082	3,082
Unearned Revenue (Note 1)	7,273	1,822	9,095
Deposits and Reserves	445	11,405	11,850
Claims Liability (Note 20)	39,578	---	39,578
Compensated Absences	27,061	39	27,100
Other Postemployment Obligations, Net	5,393	---	5,393
Capital Lease Obligations (Note 6)	42,174	---	42,174
Bonds and Notes Payable (Note 12)	1,678,390	53,825	1,732,215
Total Non-Current Liabilities	1,992,205	70,173	2,062,378
Total Liabilities	3,037,849	71,508	3,109,357
NET POSITION			
Net Investment in Capital Assets	2,817,903	17,806	2,835,709
Restricted for:			
Expendable	475,606	---	475,606
Non-Expendable	898,474	---	898,474
Other Purposes	---	84,670	84,670
Unrestricted	1,775,776	87,600	1,863,376
Total Net Position	$ 5,967,759	$ 190,076	$ 6,157,835

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION/STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2013	Adjustments	Statement of Activities
Revenues:					
Operating Revenues:					
Licenses, Fees, and Permits	$ ---	$ 5,107	$ 5,107	$ ---	$ 5,107
Student Tuition and Fees (Net of Scholarship Allow.)	953,478	---	953,478	---	953,478
Sales and Services of Educational Departments	43,834	---	43,834	---	43,834
Auxiliary Enterprises	1,424,715	---	1,424,715	---	1,424,715
Leases and Rentals	---	4,605	4,605	---	4,605
Cost Reimbursement/Miscellaneous	81,469	618	82,087	---	82,087
Total Charges for Services					2,513,826
Federal Appropriations, Grants, and Contracts	216,976	---	216,976	199,071	416,047
State Grants and Contracts	72,982	---	72,982	733,326	806,308
Private Gifts, Grants, and Contracts	81,903	---	81,903	84,117	166,020
Additions to Endowments	---	---	---	36,109	36,109
Total Operating Grants and Contributions					1,424,484
Interest Revenue	1,049	3,202	4,251	(4,251)	---
Total Operating Revenues	2,876,406	13,532	2,889,938	1,048,372	
Expenses:					
Operating Expenses:					
Personal Service	2,334,253	1,569	2,335,822	---	2,335,822
Operations	---	3,213	3,213	---	3,213
Specific Programs	---	2,569	2,569	---	2,569
Scholarships and Fellowships	134,610	---	134,610	---	134,610
Utilities	32,763	---	32,763	---	32,763
Supplies and Other Services	948,333	---	948,333	---	948,333
Contracted Services	24,505	---	24,505	---	24,505
Interest Expense	---	---	---	81,493	81,493
Depreciation/Amortization	260,380	1,944	262,324	---	262,324
Bad Debt Expense	---	31	31	---	31
Miscellaneous	33,110	76	33,186	6,561	39,747
Total Operating Expenses	3,767,954	9,402	3,777,356	88,054	3,865,410
Operating Income (Loss)	(891,548)	4,130	(887,418)	960,318	
Non-Operating Revenues (Expenses):					
Federal Appropriations, Grants, and Contracts	199,071	---	199,071	(199,071)	---
State Appropriations, Grants, and Contracts	733,326	---	733,326	(733,326)	---
Private Gifts, Grants, and Contracts	84,117	---	84,117	(84,117)	---
Contributions and Intergovernmental	---	(1,165)	(1,165)	---	(1,165)
Total Unrestricted Grants and Contributions					(1,165)
Investment Earnings:					
Increase (Decrease) in the Fair Value of Investments	---	(243)	(243)	---	(243)
Investment and Endowment Income (Loss)	153,592	---	153,592	---	153,592
Interest	---	347	347	4,251	4,598
Interest and Bond Related Expenses	(80,670)	(823)	(81,493)	81,493	---
Gain (Loss) on Sale of Capital Assets	(3,721)	---	(3,721)	3,721	---
Miscellaneous Revenues (Expenses)	(2,831)	(9)	(2,840)	2,840	---
Total Unrestricted Investment Earnings					157,947
Total Non-Operating Revenues (Expenses)	1,082,884	(1,893)	1,080,991	(924,209)	
Income Before Other Revenues (Expenses) Or Gains (Losses)	191,336	2,237	193,573	36,109	
State Capital Appropriations	30,180	---	30,180	---	30,180
Total Capital Grants and Contributions					30,180
Additions to Endowments	36,109	---	36,109	(36,109)	---
Change in Net Position	257,625	2,237	259,862	---	259,862
Net Position - Beginning of Year (Note 17)	5,710,134	187,839	5,897,973	---	5,897,973
Net Position - End of Year	$ 5,967,759	$ 190,076	$ 6,157,835	$ ---	$ 6,157,835

The notes to the financial statements are an integral part of this statement.

*The **Notes to the Financial Statements** provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.*

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Note 1 - Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying financial statements of the State of Missouri (primary government) and its component units have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The financial statements include the departments, agencies, boards, commissions, and other organizational units over which the State has financial accountability. GASB set forth the following criteria in Statement No. 14, *The Financial Reporting Entity,* for determining financial accountability: appointment of a voting majority of an organization's governing body and either: 1) the ability to impose the State's will on the organization; or 2) the organization's ability to provide specific benefits to, or impose specific burdens on, the primary government. Where the State does not appoint a voting majority of the governing body, the entity would still be included if it is fiscally dependent on the State. Statement No. 39, *Determining Whether Certain Entities are Component Units,* added a requirement to include all entities whose relationship with the State would make it misleading to exclude it. Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34,* improves financial reporting by amending GASB Statement No. 14, *The Financial Reporting Entity,* and Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* in blending component units: 1) if there is a financial benefit or burden relationship with the primary government; 2) management of the primary government has operational responsibility for the component unit's activities; and 3) if the total outstanding debt is expected to be repaid entirely or almost entirely with the resources of the primary government.

In addition to the legislative, executive, and judicial branches, the following organizations are included in these financial statements:

Component Units (Blended):

Blended component units are legally separate entities from the State, but are so intertwined with the State that they are, for all practical purposes, the same as the State. They are reported as part of the primary government and blended into the appropriate funds. The following component units are blended because they provide services entirely or almost entirely to the primary government:

Board of Fund Commissioners – The Board was created by state law and is comprised of the Governor, Lieutenant Governor, Attorney General, State Auditor, State Treasurer, and the Commissioner of Administration. The Board's purpose is to issue, redeem, and cancel state general obligation bonds and perform other administrative activities related to state general obligation debt as assigned by law. Separate financial statements are not required or issued for the Board.

Board of Private Investigator and Private Fire Investigator Examiners – The Board was created by state law and is charged with the licensure and regulation of the practice of private investigators and private fire investigators in Missouri. The seven member board shall consist of three private investigators, two private fire investigators, and two public members, appointed by the Governor. Separate financial statements are not required for the Board.

Note 1 - Significant Accounting Policies (cont.)

Board of Unemployment Fund Financing – The Board was created by state law to provide a method of providing funds for the payment of unemployment benefits and maintaining an adequate fund balance in the Unemployment Compensation Fund. The Board is comprised of the Governor, Lieutenant Governor, Attorney General, the Director of the Department of Labor and Industrial Relations, and the Commissioner of Administration. Separate financial statements are not required for the Board.

Coordinating Board for Early Childhood – The Board was created by state law within the Missouri Children's Services Commission. The Board's purpose is to develop a comprehensive statewide long-range strategic plan for a cohesive early childhood system, and to work with public and private entities for the purpose of promoting and improving the development of Missouri's children from birth through age five. The 17 member Board is composed of representatives from the Governor's office; the following departments: Health and Senior Services, Mental Health, Social Services, and Elementary and Secondary Education; the judiciary; the Family and Community Trust Board; the Head Start Program; and nine members appointed by the Governor. Separate financial statements are not required for the Board.

Missouri State Penitentiary Redevelopment Commission – The Commission was established to coordinate the planning and redevelopment of the old Jefferson City Correctional Center. The ten member commission consists of three members appointed by the Jefferson City mayor, three members appointed by the Cole County Commission, and four members appointed by the Governor. Separate financial statements are not required for the Commission.

Capital Projects Funds:

Missouri Highway 63 Transportation Corporation – This is reported as a part of the Missouri Road Fund. This transportation corporation is a not-for-profit corporation organized under the Missouri Transportation Corporation Act. The corporation was formed to facilitate the construction of highway projects. When the purpose for which this corporation was formed has been complied with and all obligations of the corporation have been paid, the Board of the corporation shall, with the approval of the Missouri Highways and Transportation Commission, dissolve the corporation. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Internal Service Funds:

Board of Public Buildings – This is reported with the State Facility Maintenance and Operation Fund. The Board was created by state law and its governing body is made up of the Governor, the Lieutenant Governor, and the Attorney General. Its purpose is to provide state buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the Division of Facilities Management, Design and Construction, and its projects must be approved by the General Assembly. The Board can require state agencies to occupy its projects. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and pay the costs of operations.

Note 1 - Significant Accounting Policies (cont.)

Conservation Employees' Insurance Plan – The Plan provides health and life insurance coverage to eligible employees and retirees of the Missouri Department of Conservation. The Plan is administered by a five member board of trustees made up of three members of the Plan appointed by the Conservation Commission which consist of two Conservation employees and Division Chief, the Chief Financial Officer, and the Human Resources Division Chief. Copies of the Plan's financial statements may be requested from:

Missouri Department of Conservation
P.O. Box 180
Jefferson City, Missouri 65102

Transportation Self-Insurance Plan – The Plan provides fleet vehicle liability, workers' compensation, and general liability insurance. The Plan is administered by the Missouri Department of Transportation. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Missouri State Employee's Insurance Plan – The Plan was created to provide basic life insurance to eligible members and is administered through the Missouri State Employees' Retirement System (MOSERS). Death benefits, optional life insurance, and long-term disability benefits are also provided by the Plan for certain members. Furthermore, the Plan administers the State's Deferred Compensation Plan through the MOSERS Board of Trustees. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri Consolidated Health Care Plan (MCHCP) - The Plan was created by state law to provide medical benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate; two members of the House; six members appointed by the Governor; the Director of the Department of Health and Senior Services; the Director of the Department of Insurance, Financial Institutions and Professional Registration; and the Commissioner of Administration. The management of MCHCP is the responsibility of the Executive Director who is appointed by the Board. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

Note 1 - Significant Accounting Policies (cont.)

MoDOT and MSHP Medical and Life Insurance Plan – The Plan provides health and life insurance coverage to eligible employees, retirees, and their dependents of the Missouri Department of Transportation (MoDOT) and the Missouri State Highway Patrol (MSHP). The Plan is administered by a board of trustees consisting of four active MoDOT employees, one retired MoDOT employee appointed by the Director of MoDOT, two active MSHP employees, and one retired MSHP employee appointed by the Superintendent of MSHP. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Pension (and other employee benefit) trust funds:

Missouri State Employees' Retirement System (MOSERS) – The System was created by state law and provides retirement, survivor, disability, and life insurance to its members and is administered by a board of trustees. The Board consists of two members of the Senate, two members of the House, two members appointed by the Governor, three members elected by the System's members, the State Treasurer, and the Commissioner of Administration. The management of MOSERS is the responsibility of the Executive Director who is appointed by the Board. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri Department of Transportation and Highway Patrol Employees' Retirement System – The System provides retirement, death, and disability benefits to qualified employees of the Missouri Highways and Transportation Commission (includes employees of the Department of Transportation) and both uniformed and non-uniformed members of the State Highway Patrol. The System is administered by a board of trustees consisting of three members of the Missouri Highways and Transportation Commission, the Director of the Missouri Department of Transportation, the Superintendent of the State Highway Patrol, one member of the Senate, one member of the House, one member elected by MoDOT employees, one member elected by State Highway Patrol employees, one retired member elected by retired MoDOT employees, and one retired member elected by retired State Highway Patrol employees. Copies of the System's financial statements may be requested from:

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

Note 1 - Significant Accounting Policies (cont.)

Missouri Consolidated Health Care Plan (MCHCP) State Retiree Welfare Benefit Trust - The Trust was established on June 27, 2008, to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements, except those covered by other State sponsored post-employment benefit plans. The Trust is administered by the MCHCP board of trustees, which also administers the benefits for the active participants of the Plan. The net position and activity related to active participants are reported in an internal service fund. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

Missouri State Public Employees' Deferred Compensation Plan - The Missouri State Public Employees' Deferred Compensation Plan is administered by ICMA-RC and oversight of the Plan is provided by the MOSERS board of trustees. Under this Plan, employees are permitted to defer a portion of their current salary until future years. In addition, eligible employees have the opportunity to participate in the Missouri State Employees' Deferred Compensation Incentive Plan. Under this Plan, the State contributes $25, $30, or $35 per month on behalf of any employee who contributes at least that amount to the Missouri State Public Employees' Deferred Compensation Plan and who has been an employee of the State for at least one year. However, due to budget constraints, the State's contribution amount was suspended in March 2010 until further notice. Copies of financial statements for both Plans may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Component Units (Discretely Presented):

Discretely presented component units are legally separate entities for which the State is financially accountable. The financial data for these entities is reported separately from the financial data of the primary government.

Note 1 - Significant Accounting Policies (cont.)

Major

College and Universities - The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public college and universities included in the financial statements:

Harris-Stowe State University
3026 Laclede Avenue
St. Louis, Missouri 63103

Lincoln University
207 Young Hall
820 Chestnut Street
Jefferson City, Missouri 65101

Linn State Technical College
1 Technology Drive
Linn, Missouri 65051

Missouri Southern State University
3950 East Newman Road
Joplin, Missouri 64801-1595

Missouri State University
901 South National, Room 119
Springfield, Missouri 65897

Missouri Western State University
4525 Downs Drive
St. Joseph, Missouri 64507

Northwest Missouri State University
105 Administration Building
800 University Drive
Maryville, Missouri 64468-6001

Southeast Missouri State University
One University Plaza, Mail Stop 3200
Cape Girardeau, Missouri 63701

Truman State University
McClain Hall, Room 105
100 East Normal
Kirksville, Missouri 63501

University of Central Missouri
316 Administration Building
Warrensburg, Missouri 64093

University of Missouri System
1000 West Nifong, Building 7, Suite 300
Columbia, Missouri 65211

Non-Major

Missouri Development Finance Board - The Board was created by state law as an independent, self-supporting, body corporate and politic to promote economic development of the State and was created within the Department of Economic Development. The Board is empowered to issue taxable, tax-exempt, and public purpose infrastructure industrial revenue bonds or notes; provide loans or loan guarantees to eligible businesses; provide loans and grants to political subdivisions to fund public infrastructure improvements; and issue tax credits against certain state income taxes in exchange for contributions made to the Board. The twelve member board is made up of the Lieutenant Governor and the Directors of the Department of Economic Development, the Department of Natural Resources, and the Department of Agriculture, who serve as ex-officio voting members, and eight members appointed by the Governor and confirmed by the Senate. Copies of the Board's financial statements may be requested from:

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, Missouri 65101

Note 1 - Significant Accounting Policies (cont.)

Missouri Agricultural and Small Business Development Authority - The Authority was created by state law and is authorized to issue bonds to finance agricultural and small business development loans for property acquisitions/renovations and pollution control facilities throughout the State. If for any reason, the Authority ceases to exist, all rights and properties of the Authority will pass to the State. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements may be requested from:

Missouri Agricultural and Small
Business Development Authority
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Missouri Transportation Finance Corporation - The Corporation is a not-for-profit corporation organized under the Missouri Nonprofit Corporation Law. The Corporation is financed by federal highway and transit dollars, plus state and local matching funds. It is authorized to issue revenue bonds. The Corporation provides loans to assist public and private entities fund highway and transportation projects throughout the State. The Missouri Highways and Transportation Commission determines which applicants are extended loans from the Missouri Transportation Finance Corporation. Copies of the Corporation's financial statements may be requested from:

Missouri Department of Transportation
Central Office, Financial Services
105 West Capitol Avenue
Jefferson City, Missouri 65101

Missouri Wine and Grape Board - The Board was created by state law to further growth and development of the grape growing industry in Missouri and foster the expansion of the grape market for Missouri grapes. The eleven member board consists of seven members representing the grape and wine industry, food service industry, or media marketing industry. The four other members include the director of the Department of Agriculture and the presidents of the Missouri Grape Growers Association, the Missouri Vintners Association, and the Missouri Wine Marketing and Research Council. Copies of the Board's annual report may be requested from:

Missouri Wine and Grape Board
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Related Organizations

Related organizations are excluded from the financial reporting entity because the State's accountability does not extend beyond appointing a voting majority of the organization's board members. Related organizations of the State of Missouri include:

Missouri Health and Educational Facilities Authority - finances health and educational facilities.

Missouri Higher Education Loan Authority - provides a secondary market for loans made under the Federal Family Education Loan Program.

Note 1 - Significant Accounting Policies (cont.)

Missouri Housing Development Commission – finances the purchase, development or rehabilitation of affordable housing and funds housing assistance.

Missouri Technology Corporation – promotes the modernization of businesses through the development of science and technology applications.

Missouri Public Entity Risk Management Fund – provides liability protection to participating public entities, their officials, and employees.

State Environmental Improvement and Energy Resources Authority – finances, acquires, constructs, and equips projects to reduce, prevent, and control pollution and develop the energy resources of the State.

Jackson County Sports Complex Authority – responsible for construction, operation, and financing of the Jackson County Sports Complex.

Kansas City Regional Sports Complex Authority – responsible for the study and review of all current major sports leagues, clubs, or franchises in Kansas City.

St. Charles County Convention and Sports Facility Authority – responsible for planning, constructing, and managing convention and sports facilities in the St. Charles area.

Missouri Cotton Growers' Organization – organized for boll weevil eradication.

KCT Intermodal Transportation Corporation – organized to pay for a railroad bridge in the Blue Valley Industrial District in Kansas City.

Westside Intermodal Transportation Corporation – organized to pay for rail additions and improvements of the Kansas City Terminal Railway.

Universal Service Board – organized to ensure just, reasonable, and affordable rates for comparable essential local telecommunication services throughout the State.

Interstate Commission for Adult Offender Supervision – responsible for promoting public safety and protecting the rights of victims through the control and regulation of the interstate movement of adults placed under community supervision.

Missouri Health Insurance Pool – organized to provide health care coverage for residents who are unable to obtain individual health coverage.

P-20 Council – organized to create a more efficient and effective education system that more adequately prepares students for the challenges of entering the workforce.

Missouri Propane Gas Commission – responsible for developing comprehensive plans and programs for the prevention, control, and abatement of propane-related accidents in Missouri.

Missouri Family Trust Board of Trustees – provides trust services for persons with disabilities.

Note 1 - Significant Accounting Policies (cont.)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements:

The government-wide financial statements focus on the government as a whole. The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Governmental activities include governmental type funds and internal service funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services and consist of enterprise funds.

The Statement of Net Position presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Indirect costs, such as depreciation/amortization expense, are included in the direct expenses reported for individual functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred. Fiduciary funds have been excluded from the government-wide financial statements because, by definition, the resources of these funds cannot be used to support government operations. Generally, interfund transactions have also been eliminated. Some interfund transactions, such as the exchange of services, were not eliminated because doing so would mistakenly understate both expenses of the buyer and revenues of the seller.

The difference between fund assets and liabilities is reported as "Net Position" on the government-wide, proprietary, and fiduciary fund statements and "Fund Balance" on the governmental fund financial statements.

Fund Financial Statements:

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. For governmental and proprietary fund financial statements, the emphasis is on major individual governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Internal service funds are also aggregated and reported in a separate column on the proprietary fund financial statements.

Note 1 - Significant Accounting Policies (cont.)

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Material revenues susceptible to accrual include federal grants and sales and income taxes. Expenditures are recognized when the related fund liability is incurred except for the following:

- Principal and interest on general long-term debt is recorded as an expenditure when due.
- Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.
- Inventories are reported as expenditures when purchased, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method.

The proprietary, pension (and other employee benefit) trust, and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type operating statements present revenues and expenses in total net position. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The agency fund financial statements are presented on the accrual basis of accounting.

The discretely presented component unit financial statements are presented using the economic resources measurement focus and accrual basis of accounting with the following exception in regard to the college and universities. Revenues and related expenditures in connection with the summer sessions in progress at June 30 are deferred at that date.

The State reports the following major funds categories:

General Fund – accounts for all current financial resources not required by law or administrative action to be accounted for in another fund. Major revenues include contributions and taxes.

Public Education – provides general and special education needs of the State and other related areas such as library services and student loans. Major revenues include contributions and taxes.

Conservation and Environmental Protection – provides for the preservation of the State's wildlife and environment. Major revenues include contributions, taxes, licenses, fees, and permits.

Missouri Road Fund – accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. Major revenues are from contributions.

Note 1 - Significant Accounting Policies (cont.)

State Lottery – accounts for proceeds from the sale of lottery tickets and all other moneys credited to this fund. A minimum of 45% of the moneys are used for prizes. Major revenues are from sales of lottery tickets.

Unemployment Compensation – accounts for contributions, payments, and federal loans collected under the provisions of the Unemployment Compensation Law to pay benefits. Major revenues include federal and employer contributions.

Petroleum Storage Tank Insurance – accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks. Major revenues are from fees.

C. Basis of Presentation

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds and discretely presented component units:

Primary Government:

Governmental Funds include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the State.

Proprietary Funds include enterprise funds and internal service funds. These funds account for the cost of certain services provided by the State.

Fiduciary Funds include pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments, and other entities.

Discretely Presented Component Units:

Major

College and Universities account for moneys from student tuition and fees, federal and state grants, debt proceeds, gifts and contributions, state appropriations, investments, and endowments. Assets and liabilities are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

Non-Major

Non-Major Component Units account for moneys from bond proceeds, loans, contributions, gifts, grants, and other revenue sources. Assets and liabilities are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

Note 1 - Significant Accounting Policies (cont.)

D. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include bank accounts, petty cash, and all investments with an original maturity of three months or less, such as certificates of deposit, money market certificates, and repurchase agreements. Cash and cash equivalents on the Proprietary Funds Statement of Cash Flows are also reported under this definition. Cash balances of most state funds are pooled and invested by the State Treasurer (see *Note 3)*.

E. Investments

These are long-term investments with an original maturity greater than three months which are expected to be held to maturity and redeemed at face value. The majority of investments are reported in pension (and other employee benefit) trust funds, however, investments are held in all fund types. All investments are reported at fair value (see *Note 3).*

There are multiple funds that have income from investments which are directed to the General Fund. These funds consist of special revenue, enterprise, internal service, private-purpose, and agency funds.

F. Interfund Receivables/Payables

The State makes various transactions between funds or between the primary government and component units to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. These receivables at June 30 are classified as "due from other funds" or "due from primary government/component units" on the Balance Sheet and Statement of Net Position. Payables are classified as "due to other funds" or "due to primary government/component units" on the Balance Sheet and Statement of Net Position (see *Note 15)*. These receivables/payables are due within one year. Any receivables/payables that are due to and due from an enterprise fund are eliminated on the face of the Proprietary Funds Statement of Net Position. If any receivables/payables that remain after this elimination are both in the same activity (Governmental), they are eliminated at the Government-Wide Statement of Net Position. Interfund receivables/payables between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

G. Advances to/from Other Funds

Long-term interfund receivables are classified as "advances to other funds" or "advances to primary government/component units" on the Balance Sheet and Statement of Net Position. Long-term interfund payables are classified as "advances from other funds" or "advances from primary government/component units" on the Balance Sheet and Statement of Net Position (see *Note 15)*. These receivables/payables are eliminated if both the receivable and payable are in the same activity (Governmental). Advances to/from that are between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining long-term interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

Note 1 - Significant Accounting Policies (cont.)

H. Inventories

Inventories in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method. Inventory balances for governmental funds are shown in the nonspendable fund balance classification. Inventories in the proprietary funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost using various methods such as moving average; weighted average; and first-in, first-out.

I. Capital Assets

Capital assets, which include construction in progress, software in progress, infrastructure in progress, land, land improvements, permanent and temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement (see *Notes 5 and 6)*.

Infrastructure assets (including highways, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items) are capitalized. Interest costs incurred during construction of capital assets are not capitalized.

The capitalization threshold for all capital assets is as follows: land improvements - $15,000, buildings and improvements - $15,000, software and trademarks - $5,000, and equipment - $1,000. No dollar threshold is set for land, easements, or infrastructure.

Capital assets are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings - 40 to 50 years, land improvements and building improvements - 15 to 20 years, temporary easements - term of easement, equipment - 2 to 5 years, software - 3 to 5 years, trademarks - 10 years, and infrastructure - 12 to 50 years. Construction in progress, software in progress, infrastructure in progress, land, and permanent easements are not depreciated/amortized.

Most works of art and historical treasures are not capitalized or depreciated/amortized. The State's non-capitalized collections include the historical artifacts at the various state museums and historical sites, monuments, and other art throughout the capitol grounds. Assets that were previously capitalized continue to be reported in the government-wide financial statements.

Component unit capital assets are stated at cost and are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings - 40 years, land improvements and building improvements - 20 years, equipment - 5 to 15 years, and software - 3 to 5 years.

Note 1 - Significant Accounting Policies (cont.)

J. Deferred Outflow of Resources and Deferred Inflow of Resources

In addition to assets, the Statement of Net Position may report a separate section for deferred outflows of resources. Deferred outflows of resources consist of consumption of net position by the State that is applicable to a future reporting period and so will not be recognized as outflow of resources until then.

In addition to liabilities, the Statement of Net Position may report a separate section for deferred inflows of resources. Deferred inflows of resources consist of acquisition of net position by the State that is applicable to a future reporting period and so will not be recognized as inflow of resources until then.

K. Deferred/Unearned Revenues

Governmental Funds

Deferred revenues are those for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met for governmental funds, which use the modified accrual basis of accounting. Therefore, such amounts are reported within the governmental fund financial statements as receivables and offset by a deferred revenue account. These amounts include $628,049,000 within the General Fund, $48,636,000 within the major special revenue funds, $24,169,000 within the Missouri Road Fund, $7,507,000 within the non-major special revenue funds, and $77,000 within all other non-major governmental funds which totals $708,438,000 for governmental funds. Such amounts have been deemed to be measurable but not available. All major sources of revenue, including taxes; licenses, fees, and permits; and governmental contributions are susceptible to accrual when available within 60 days.

Deferred revenues also include amounts collected in advance of the year in which earned. The State has reported as such deferred revenues the amount of $111,470,000 within the General Fund, $161,000 within major special revenue funds, $13,318,000 within the Missouri Road Fund, and $131,000 within non-major special revenue funds which totals $125,080,000 for governmental funds.

Proprietary Funds

Unearned revenue amounts collected in advance of the year in which earned are reported in the amount of $29,012,000 within the internal service funds included in governmental activities. Total unearned revenue for enterprise funds is $1,093,000 which includes $516,000 from the State Lottery Fund, $550,000 from the Petroleum Storage Tank Insurance Fund, and $27,000 from non-major enterprise funds. These amounts are included in the business-type activities.

Fiduciary Funds

Unearned revenue amounts collected in advance of the year in which earned are reported in the amount of $4,202,000 within the pension (and other employee benefits) trust funds.

Component Units

Unearned revenue amounts collected in advance of the year in which earned are reported in the amount of $125,187,000 within the college and universities and $1,825,000 in non-major component units which is a total of $127,012,000 of unearned revenue for component units.

Note 1 - Significant Accounting Policies (cont.)

L. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements. However, the long-term liabilities are reported on the government-wide financial statements. The reconciliation between fund financial statements and government-wide financial statements includes a line item for the long-term liabilities of governmental funds. These long-term liabilities include the following:

1. Due to Other Entities includes outstanding principal on advances from other governments and contractual obligations to other governments. The expenditures are recorded in the appropriate governmental funds when the liability is paid (see *Note 11)*.

2. Outstanding principal for general obligation debt. The expenditure for payment of principal and interest for general obligation debt is recorded in the debt service funds when paid (see *Note 12)*.

3. Outstanding principal for bonds issued by the Board of Public Buildings, bonds issued by the Health and Educational Facilities Authority, the Regional Convention and Sports Complex Authority, and the State Road Bonds issued by the Missouri Highways and Transportation Commission. The expenditure for payment of principal and interest for these bonds is recorded in the appropriate governmental funds when paid (see *Note 12)*.

4. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium.

   In the fund financial statements, governmental fund types recognize bond premiums during the current period. Premiums on debt issuances are reported as other financing sources (see *Note 11)*.

5. Obligations under lease/purchases reported include the present value of net minimum future lease payments, which will be paid from the General Fund, various special revenue funds, proprietary funds, and the Missouri Road Fund (see *Notes 6 and 11)*.

6. Pollution remediation liabilities are measured based on the pollution remediation outlays expected to be incurred to settle those liabilities. These liabilities include all remediation work that the State expects to perform, including work expected to be performed for other responsible parties or potentially responsible parties, whether or not the State is required to do that work. For goods or services used for pollution remediation activities, amounts that are normally expected to be liquidated with expendable available financial resources are recognized as liabilities upon receipt of those goods and services (see *Note 11 and 21)*.

7. Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds but are recorded as expenditures when paid (see *Note 11)*.

   Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

   Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State.

Note 1 - Significant Accounting Policies (cont.)

8. Claims and contingent liabilities include estimates of the risk of loss related to tort liability, general liability, motor vehicle liability, contractor liability, and injuries to employees. These liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Expenditures are recorded in the fund from which the liability is paid (see *Notes 11, 20, and 22)*.

9. The State provides postemployment health care and life insurance benefits to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT and MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. The annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer (see *Note 8)*.

10. The State has two major retirement systems which cover substantially all State employees. These systems are Missouri State Employees' Retirement System (MOSERS) and Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). The Missouri State Employees' Plan (MSEP) and the Judicial Plan are single-employer defined benefit public employees' retirement plans administered by MOSERS. The annual required contribution (ARC) was determined as a part of an actuarial valuation of the Systems using the entry age normal actuarial cost method (see *Note 7)*.

Long-term liabilities of all proprietary, pension (and other employee benefit) trust, and private-purpose trust funds are accounted for in the respective funds.

M. Net Position

Net Position is reported in three categories:

Net Investment in Capital Assets – An account used to segregate the portion of net position attributable to capital assets and related debt. It consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes and other debt that are attributed to acquisition, construction, or improvement of those assets.

Restricted Net Position – An account used to segregate the portion of net position that have constraints on their use, which are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. At June 30, 2013, net position restricted by enabling legislation equaled $543,156,000 for governmental activities.

Unrestricted Net Position – An account used to segregate the portion of net position that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, generally the State uses restricted resources first, then unrestricted resources as they are needed. However, there may be instances in which restricted funds may only be spent in proportion to unrestricted funds spent.

Note 1 - Significant Accounting Policies (cont.)

N. Revenues

The revenues of the General Fund include federal grants and contributions of $9,354,379,000. Revenues for all funds are reported net of refunds of $2,081,033,000.

O. Interfund Transactions

During the fiscal year the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. Interfund transactions basically consist of these three types:

1. Transactions that would be treated as revenues or expenditures/expenses, if they involved organizations external to the State, are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to internal service funds from other funds for services rendered and to agency funds for contributions for employee benefits.

2. Transactions that reimburse another fund for an expense reduce the expenses of the fund that is being reimbursed and increase the expenses for the fund doing the reimbursement. Therefore, they are not shown on the face of the statements.

3. Operating subsidies and transfers from funds receiving revenues to funds through which the resources are to be expended are classified as transfers (see *Note 16)*. These transactions are eliminated on the face of the financial statements if the transfer in and transfer out are either both in governmental funds or both in enterprise funds. Of the remaining transfers, any transfers in and transfers out that are within the same activity (Governmental) are eliminated at the Government-Wide Statement of Activities.

P. Expenditures and Expenses

Expenditures and expenses are reported net of revenue over collections of $1,355,577,000 and $835,000, respectively. Expenditures and expenses are reported net of overpayments to vendors, individuals, school districts, and for cost reimbursements of $723,412,000 and $1,209,000, respectively.

Q. Property Taxes

Presently there is a state property tax of three cents on each hundred dollars assessed valuation on all real estate and personal property. The tax collected is deposited into the Blind Pension Fund, which is a component of social assistance.

The property taxes in Missouri are levied by October 31 of each year on assessed valuation as of January 1 of that year. Property taxes are due and payable by December 31 and penalties on unpaid taxes are imposed after that date. Assessed values are established by each county assessor's office and are calculated as a percent of market value except for agricultural land which is calculated on productive capability. The percentage for real property varies according to use: residential at 19%, commercial at 32%, and agricultural at 12%. Personal property is assessed according to type with the majority at 33 1/3% of market value.

Note 2 - Reporting Changes and Classifications

The State of Missouri implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ending June 30, 2013:

- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements,* which establishes recognition, measurement, and disclosure requirements for service concession arrangements for both transferors and governmental operators. This statement affects the disclosure found in *Note 5 – Capital Assets* in the State's CAFR.

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14, The Financial Reporting Entity, and Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* which amends accounting and financial reporting standards for including, presenting, and disclosing information about governmental component units, including equity interests. The implementation of this statement did not have an impact on the financial statements.

- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* which incorporates deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The implementation of this statement is reflected in the accrual based financial statements.

The State of Missouri has reclassified two funds for the fiscal year ending June 30, 2013. The Show-Me Heroes Fund was reclassified from a general revenue fund to a federal fund as this program is intended to be funded through federal workforce funds. The State Land Survey Program Fund was reclassified from a general revenue fund to a special revenue fund due to this fund being comprised of fees collected for the sole purpose of supporting the Department of Natural Resources land survey activities.

Note 3 - Deposits and Investments

The State Treasurer maintains a cash and short-term investment pool that is used by substantially all state funds of the primary government. These funds do not include accrued interest. Certain organizational units are authorized to administer assets designated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Summarized on the following page is the portfolio that represents the "Cash and Cash Equivalents," "Investments," "Restricted Assets - Cash and Cash Equivalents," and "Restricted Assets – Investments" as reported at June 30, 2013.

A. Deposits

The State minimizes custodial credit risk by restrictions set forth in state law and stipulations in the State Treasurer's Office Investment Policy. Custodial credit risk is risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateralized securities that are in the possession of an outside party. Statutes restrict the State Treasurer to deposit funds in financial institutions that are physically located in Missouri, which are selected based on financial stability and community involvement. The financial institution's loan to deposit ratio must exceed 50% at the time of deposit and deposits must be collateralized at least 100% with approved securities. Deposits must have a maturity of five years or less and earn interest at varying rates based on State law.

Note 3 - Deposits and Investments (cont.)

Primary Government

At June 30, 2013, the bank balance of the primary government's deposits was $902,284,000. Of the bank amount, $12,688,000 was held by the U.S. Treasury and the remainder was not exposed to custodial credit risk.

Fiduciary

At June 30, 2013, the bank balance of the deposits of the fiduciary funds was $68,931,000. None of these deposits were exposed to custodial credit risk.

Component Units

Information on the component units deposits is available within their individual financial statements.

B. Investments

Statutes authorize the State Treasurer to invest in U.S. Treasury or Agency securities maturing within five years, commercial paper and banker's acceptances maturing within 180 days, or in repurchase agreements maturing within 90 days secured by U.S. Treasury or Agency securities of any maturity. There have been no violations of these investment restrictions during fiscal year 2013.

The State Treasurer minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the State will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer minimizes custodial credit risk by requiring that all securities be held in the State's name at the State's custodial bank, Wells Fargo Bank, National Association, or at one of the State Treasurer approved collateral custodians.

Primary Government

At June 30, 2013, the reported amount of the primary government's investments was $3,364,242,000. Of this amount, $56,244,000 was exposed to custodial credit risk because it was uninsured and unregistered with securities held by the State's counterparty.

Fiduciary

At June 30, 2013, the reported amount of the fiduciary funds investments was $12,038,115,000.

Note 3 - Deposits and Investments (cont.)

Component Units

Information on the component units investments is available within their individual financial statements.

The following table (in thousands of dollars) provides information about the interest rate risks associated with the State's investments. Statutes also authorize investment of funds not held by the State Treasurer. The externally-held internal service funds, the agency and pension (and other employee benefit) trust funds, and the component units, in accordance with statutory authority, invest primarily in U.S. government securities, repurchase agreements, preferred and common stocks, bonds, real estate, fixed income securities, mutual funds, and investments in limited partnerships. The investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity, or in certain instances, a weighted average maturity in years. The State Treasurer minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 2.5 years, and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less.

	Maturities in Years					
	Less than 1	1-5	6-10	More than 10	No Maturity	Total Fair Value
All Fund Types except Fiduciary Funds and Component Units:						
U.S. Treasury Securities	$ 119,923	$ 209,903	$ 12,825	$ 10,494	$ ---	$ 353,145
U.S. Agency Securities	---	26,856	---	---	---	26,856
U.S. Government Guaranteed Mortgages	27	---	---	---	---	27
U.S. Government Mortgage-Backed Securities	377,596	1,600,875	---	---	---	1,978,471
U.S. Agency-Sponsored Securities	5,079	110,198	6,863	2,438	---	124,578
Repurchase Agreements	869,025	---	---	---	---	869,025
Stocks	---	---	---	---	5,517	5,517
Bonds	---	229	228	---	---	457
Mutual Funds	---	---	---	---	2,557	2,557
Short-Term Securities	493	---	---	---	583	1,076
Other	102	726	452	1,253	---	2,533
Subtotal	1,372,245	1,948,787	20,368	14,185	8,657	3,364,242

Note 3 - Deposits and Investments (cont.)

	Maturities in Years					
	Less than 1	1-5	6-10	More than 10	No Maturity	Total Fair Value
Fiduciary Funds:						
U.S. Government Securities	70,008	10,806	15,917	16,080	---	112,811
U.S. Treasury Securities	438,306	426,844	88,192	---	---	953,342
U.S. Agency Securities	---	306	20,094	20,588	---	40,988
U.S. Government Mortgage-Backed Securities	4,579	23,109	11,629	18,821	---	58,138
U.S. Agency-Sponsored Securities	88,705	27,500	1,927	---	---	118,132
Repurchase Agreements	41,245	---	---	---	---	41,245
Stocks	---	---	---	---	916,418	916,418
Bonds	41,913	5,363	20,746	56,595	---	124,617
International Equities	---	76,468	---	---	856,963	933,431
Mortgages/ Real Estate	28,364	12,067	1,916	70,560	178,172	291,079
Asset-Backed Securities	---	2,561	11,135	5,885	---	19,581
Short-Term Securities	1,230,406	---	---	---	---	1,230,406
Foreign Currencies	7,863	---	---	---	---	7,863
Mutual Funds	---	765,001	4,649	21,271	884,638	1,675,559
Venture Capital Limited Partnership	---	---	---	---	5,310,895	5,310,895
Absolute Return	---	---	---	---	173,503	173,503
Tactical Fixed Income	---	---	---	---	7,975	7,975
Other	---	---	1,860	20,272	---	22,132
Subtotal	1,951,389	1,350,025	178,065	230,072	8,328,564	12,038,115
Total Investments	$ 3,323,634	$ 3,298,812	$ 198,433	$ 244,257	$ 8,337,221	$ 15,402,357

The State minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer from investing more than 10 percent of the total time deposits with any single financial institution. State investment policy limits investment in commercial paper to 5 percent of the total portfolio per issuer and no more than 15 percent of the total portfolio may invested in repurchase agreements with a single counterparty. There are no restrictions in the amount that can be invested in U.S. securities. During fiscal year 2013, the State did not have any instances of noncompliance with these requirements and policies.

Note 3 - Deposits and Investments (cont.)

The State Treasurer requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (such as A1/P1) as rated by at least two Nationally Recognized Statistical Rating Organizations (NRSROs). The Treasurer does not have any additional policies regarding credit ratings of investments. The following table (in thousands of dollars) provides information on the credit ratings associated with the State's investments in debt securities.

	Moody's	S & P	Fair Value
Primary Government/Fiduciary:			
U.S. Government Securities		Agency	$ 42,804
			46,178
U.S. Treasury	Aaa	AA+	253,935
	Aaa		356,800
U.S. Agencies	Aaa	AA+	32,069
	AA+	AAA	4,125
		AA	25,763
		Agency	550
		Not Rated	14,692
U.S. Government Mortgage-Backed Securities	Aaa	AA+	9,490
		Agency	33,158
Bonds	Aaa		228
	Aa3		116
	A1	A+	14,358
	A1		113
		AAA	11,199
		AA	44,189
		A	16,082
		BBB	5,745
		BB	601
		Agency	68,199
		Not Rated	21,874
Repurchase Agreements	Unrated	Unrated	894,625
U.S. Agency-Sponsored Securities	Aaa		61,817
	Aaa	AA+	2,094,623
	Aaa	AA	24,400
		AAA	19,613
	Unrated		41,583
Short-Term Securities	Unrated		493

Note 3 - Deposits and Investments (cont.)

	Moody's	S & P	Fair Value
Asset-Backed Securities		AAA	3,946
		AA	15,160
		A	122
		BB	688
		B	834
		CCC	1,648
		Agency	8,928
		Not Rated	478
Mutual Funds	Aaa		7,850
	Aa3		756,986
	BBB		4,172
	BB		642
		3-STAR	21,271
Pooled Investments		Not Rated	19,637
Other	Aaa		338
	Aaa	AA+	12,067
	Aa1		475
	Aa2		359
	Aa3	A	1,860
	Aa3		72
	A1		224
	A2		143
		AAA	5,571
		AA	2,034
		A	20,074
		A-	20,272
		BBB	65,138
		BB	5,919
		B	23,682
		CCC	14,006
		CC	13,966
		C	695
		D	8,273
		Agency	1,352
		Not Rated	20,987
Total Rated Investments			$ 5,199,291

Note 3 - Deposits and Investments (cont.)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk. The Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System do have foreign currency deposits and investments which may be used for hedging purposes. The following table (in thousands of dollars) provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

	Investment Type					
Currency	Cash	Equities	Fixed Income	Alternatives	Real Estate	Total
Australian Dollar	$ ---	$ 1,467	$ ---	$ ---	$ ---	$ 1,467
Brazilian Real	66	26,406	9,865	---	---	36,337
Canadian Dollar	12	---	---	---	---	12
Chilean Peso	---	3,022	175	---	---	3,197
Chinese Yuan Renminbi	536	1,158	---	---	---	1,694
Colombian Peso	---	1,595	3,718	---	---	5,313
Czech Koruna	101	2,134	---	---	---	2,235
Danish Krone	---	4,689	---	---	---	4,689
Egyptian Pound	2	1,333	---	---	---	1,335
Euro	5,195	199,593	---	93,542	16,587	314,917
Hong Kong Dollar	265	79,253	---	---	---	79,518
Hungarian Forint	---	529	3,346	---	---	3,875
Indian Rupee	122	15,378	---	---	---	15,500
Indonesion Rupiah	45	12,999	6,359	---	---	19,403
Japenese Yen	2,484	271,039	---	---	---	273,523
Malaysian Ringgit	37	8,950	7,127	---	---	16,114
Mexican Peso	37	14,024	9,307	---	---	23,368
Moroccan Dirham	---	160	---	---	---	160
Nigerian Naira	869	50	311	---	---	1,230
Norwegian Krone	---	7,453	---	---	---	7,453
Peruvian Nuevo Sol	---	---	107	---	---	107
Philippine Peso	25	3,322	---	---	---	3,347
Polish Zloty	4	4,729	6,881	---	---	11,614
Romanian New Leu	---	---	114	---	---	114
Russian Ruble	---	1,475	7,406	---	---	8,881
Russian Ruple	76	---	---	---	---	76
Singapore Dollar	---	25,377	---	---	---	25,377
South African Rand	79	14,494	7,997	---	---	22,570
South Korean Won	117	49,485	1,969	---	---	51,571
Sri Lanka Rupee	21	23	---	---	---	44
Swedish Krona	---	5,793	---	---	---	5,793
Swiss Franc	---	102,384	---	---	---	102,384
Taiwan Dollar	228	36,028	---	---	---	36,256
Thai Baht	41	18,919	4,820	---	---	23,780
Turkish Lira	1	5,539	7,814	---	---	13,354
United Kingdom Pound Sterling	1	107,005	---	---	---	107,006
Venezuelan Bolivar	37	---	---	---	---	37
Vietnamese Dong	10	---	---	---	---	10
Total	$ 10,411	$ 1,025,805	$ 77,316	$ 93,542	$ 16,587	$ 1,223,661

Note 3 - Deposits and Investments (cont.)

C. Securities Lending Program

State Treasurer's Office:

The Missouri State Treasurer's Office participates in a securities lending program to augment investment income. Authority to participate rests in Section 30.260.5, RSMo. As of December 2011, Citibank, National Association, began acting as the State Treasurer's custodial bank and securities lending agent.

Collateral may be in the form of cash, securities issued or guaranteed by the U.S. government or its agencies, or bank letters of credit or equivalent obligation if pre-approved by the State Treasurer's Office. Collateral must be provided in the amount of 102% of the then market value of the loaned securities and accrued interest, if any. The maximum duration gap between loans and investments shall be 15 days. The maximum life of term loans shall be 90 days. The Custodian provides for full indemnification to the State Treasurer's Office for any losses that might occur in the program due to borrower default, insolvency, or failure to return loaned securities.

At June 30, 2013, the State Treasurer's Office had an aggregate fair value of securities lent of $221,928,000 and an aggregate fair value of collateral received of $221,928,000.

Missouri State Employees' Retirement System:

The Missouri State Employees' Retirement System's (MOSERS) board of trustees' investment policies permit the pension trust funds to participate in a securities lending program. Certain securities of the pension trust funds are loaned to participating brokers who provide collateral in the form of cash, U.S. Treasury or government agency securities, or letters of credit issued by approved banks. Collateral must be provided in the amount of 102% of market value for domestic loans and 105% of market value for international loans. MOSERS does not have the authority to pledge or sell collateral securities without borrower default. On June 30, 2013, MOSERS had no credit risk exposure to borrowers because the collateral amounts received exceeded amounts out on loan.

Deutsche Bank AG, New York Branch served as the agent for the fixed income, domestic equity, and international equity securities lending programs. MOSERS reduces credit risk by allowing Deutsche Bank to lend these securities to a diverse group of dealers on behalf of MOSERS. Deutsche Bank provides indemnification against dealer default.

Daily monitoring of securities that are on loan ensure proper collateralization levels and mitigate counterparty risk. The majority of the security loans are open loans and can be terminated on demand by either MOSERS or the borrower. Cash collateral is invested in short-term investment funds, managed by Deutsche Bank. On June 30, 2013, the cash collateral fund had a market value of $461,767,000 and a weighted average maturity of 1 day. At June 30, 2013 and June 30, 2012, MOSERS had earned $1,021,000 and $1,537,000, respectively, on the securities lending program.

Note 3 - Deposits and Investments (cont.)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

In accordance with the investment policies set by the board of trustees, the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (the System), lends its securities to broker-dealers and banks pursuant to a form of loan agreement. The System's custodial bank is authorized to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.

During the fiscal year, the System lent securities and received cash, securities insured or guaranteed by the U.S. government or its agencies, and irrevocable bank letters of credit as collateral. The System cannot pledge or sell non-cash collateral unless a borrower defaults. Borrowers were required to deliver collateral for each loan equal to: 1) in the case of loaned securities denominated in dollars or whose primary trading market was located in the United States, 102% of the market value of the loaned securities plus any accrued interest; and 2) in the case of loaned securities not denominated in U.S. dollars or whose primary trading market was not located in the United States, 105% of the market value of the loaned securities plus any accrued interest.

The System did not impose any restrictions during the fiscal year on the amount of the loans that the custodial bank made on its behalf. There were no known failures by any borrowers to return loaned securities or pay distributions thereon during the year.

The System and borrowers maintained the right to terminate all securities lending transactions on demand. At June 30, 2013, the cash collateral fund had a market value of $92,328,000.

At June 30, 2013 and June 30, 2012, the System had earned $175,000 and $210,000, respectively, on the securities lending program.

Component Units:

Information on the component units securities lending program is available within their individual financial statements.

D. Derivatives

Missouri State Employees' Retirement System (MOSERS), through its external investment managers, has an investment policy which holds investments in futures contracts, swap contracts, and forward foreign currency exchange contracts. MOSERS does not anticipate additional significant market risk from the swap arrangements. The forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign equities. MOSERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. MOSERS anticipates that the counterparties will be able to satisfy their obligation as credit evaluations and credit limits are monitored by the investment managers. MOSERS also invests in mortgage-backed securities to diversify the portfolio and increase the return while minimizing the extent of risk. At June 30, 2013, MOSERS Foreign Currency Forward Contracts had a pending receivable of $124,558,000 and a pending payable of $124,369,000 resulting in a final asset of $189,000.

Note 3 - Deposits and Investments (cont.)

The following table (in thousands of dollars) summarizes the various contracts in MOSERS portfolio as of June 30, 2013. The investments are reported at fair value and are included on the Statement of Fiduciary Net Position of the pension (and other employee benefit) trust funds.

Futures Contracts:

Notional Amount	Exposure
$ 1,800,000	$ 3,000

Swaps:

Notional Amount	Counterparty Exposure
$ 2,689,000	$ (60,000)

Component Units:

Information on the component units derivatives is available within their individual financial statements.

Note 4 - Governmental Fund Balance

A. Governmental Fund Balance Classifications

The State's fund balances are classified as:

Nonspendable – Amounts that are not expected to be converted to cash or amounts that are legally or contractually required to be maintained intact.

Restricted – Amounts that are restricted for specific purpose due to constraints that are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the legislature.

Assigned – Amounts that are constrained by the legislature's intent to be used for a specific purpose, but do not meet the criteria for restricted or committed.

Unassigned – Amounts that do not meet the criteria of any of the classifications listed above.

Note 4 - Governmental Fund Balance (cont.)

Fund Balance Classifications by Purpose – In the basic financial statements, the fund balance classifications are presented in the aggregate. The following displays the fund balances by major purpose (in thousands of dollars):

	Nonspendable	Restricted	Committed	Assigned
General Fund				
Inventories	$ 20,554	$ ---	$ ---	$ ---
Loans Receivable	35,494	---	---	---
General Government	---	30,703	---	22,130
Education	---	12,338	20	18,938
Natural and Economic Resources	---	21,002	5,260	21,148
Transportation and Law Enforcement	---	18,471	---	179
Human Services	---	203,364	2	---
Budget Reserve	---	---	501,322	---
Forfeited Financial Instruments	---	---	---	932
Taxes	---	---	---	3,796
Total	$ 56,048	$ 285,878	$ 506,604	$ 67,123
Public Education				
Inventories	$ 74	$ ---	$ ---	$ ---
Education	---	227,658	6,292	46,084
Human Services	---	---	---	8,962
Total	$ 74	$ 227,658	$ 6,292	$ 55,046
Conservation and Environmental Protection				
Inventories	$ 500	$ ---	$ ---	$ ---
Loans Receivable	1,040,811	---	---	---
Natural and Economic Resources	---	131,045	305,935	85,489
Transportation and Law Enforcement	---	---	---	762
Forfeited Financial Instruments	---	---	---	1,469
Total	$ 1,041,311	$ 131,045	$ 305,935	$ 87,720
Missouri Road Fund				
Inventories	$ 34,841	$ ---	$ ---	$ ---
Transportation and Law Enforcement	---	989,959	---	---
Total	$ 34,841	$ 989,959	$ ---	$ ---
Non-Major Special Revenue Funds				
Inventories	$ 3,533	$ ---	$ ---	$ ---
Loans Receivable	2,456	---	---	---
General Government	---	2,587	215	5,847
Natural and Economic Resources	---	113,676	14,598	48,988
Transportation and Law Enforcement	---	66,493	1,763	170,994
Human Services	---	13,239	9,003	2,067
Total	$ 5,989	$ 195,995	$ 25,579	$ 227,896

Note 4 - Governmental Fund Balance (cont.)

	Nonspendable	Restricted	Committed	Assigned
Non-Major Debt Service Funds				
General Government	$ ---	$ 72,364	$ ---	$ ---
Transportation and Law Enforcement	---	36,963	---	---
Total	$ ---	$ 109,327	$ ---	$ ---
Non-Major Capital Projects Funds				
Transportation and Law Enforcement	$ ---	$ 21,031	$ ---	$ ---
Total	$ ---	$ 21,031	$ ---	$ ---
Non-Major Permanent Funds				
Trust Principal	$ 44,038	$ ---	$ ---	$ ---
Natural and Economic Resources	---	---	---	98
Human Services	---	---	---	2
Total	$ 44,038	$ ---	$ ---	$ 100

B. Negative Fund Balance

A negative fund balance is prohibited in all fund balance classifications except Unassigned. When a negative fund balance exists, the shortfall would be covered by the next fund balance classification for that specific purpose.

C. Budget Reserve Fund

The Budget Reserve Fund is established in Article IV, Section 27(a) of the Missouri Constitution. The Commissioner of Administration may transfer amounts from the Budget Reserve Fund to any other fund when necessary to meet the cash requirements of the State. However, the Budget Reserve Fund must be paid back with interest prior to May 16th of the fiscal year in which the transfer was made.

Budget stabilization expenditures may occur in a fiscal year in which the governor reduces the expenditures of the State or any of its agencies below their appropriation or in which there is a budget need due to a natural disaster as proclaimed by the governor to be an emergency. An appropriation from the Budget Reserve Fund may be granted by a two-thirds vote of the members elected to each house. The maximum amount which may be appropriated at any one time for budget stabilization purposes is one-half the sum of the balance of the Budget Reserve Fund and any amounts appropriated or otherwise owed to the fund, less all amounts owed to the fund for budget stabilization purposes but not yet appropriated for repayment to the fund. One-third of the amount expended or transferred from the Budget Reserve Fund for budget stabilization purposes plus interest shall stand appropriated to the Budget Reserve Fund during each of the next three fiscal years from the fund which received the budget stabilization appropriation. The balance of the Budget Reserve Fund at June 30, 2013, was $501,322,000.

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows (in thousands of dollars):

	*Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
Governmental Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	$ 404,963	$ 78,453	$ (178,749)	$ 304,667
Software in Progress	32,651	20,651	(23,658)	29,644
Infrastructure in Progress	3,078,173	885,537	(1,110,011)	2,853,699
Land	2,910,029	26,363	(10,818)	2,925,574
Permanent Easements	2,174	322	---	2,496
Total Capital Assets not being Depreciated/Amortized	6,427,990	1,011,326	(1,323,236)	6,116,080
Capital Assets being Depreciated/Amortized:				
Land Improvements	186,225	6,428	(402)	192,251
Temporary Easements	3,004	796	(1,864)	1,936
Buildings and Improvements	3,179,877	69,992	(12,443)	3,237,426
Equipment	1,206,046	96,298	(87,187)	1,215,157
Software	107,282	22,983	(689)	129,576
Trademarks	17	---	---	17
Infrastructure	45,378,153	1,110,011	(57,892)	46,430,272
Total Capital Assets being Depreciated/Amortized	50,060,604	1,306,508	(160,477)	51,206,635
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(94,600)	(4,600)	214	(98,986)
Temporary Easements	(1,341)	(1,000)	1,864	(477)
Buildings and Improvements	(1,346,105)	(97,932)	8,259	(1,435,778)
Equipment	(879,659)	(80,538)	80,282	(879,915)
Software	(41,149)	(15,919)	611	(56,457)
Trademarks	(4)	(2)	---	(6)
Infrastructure	(22,661,157)	(370,333)	55,925	(22,975,565)
Total Accumulated Depreciation/Amortization	(25,024,015)	(570,324)	147,155	(25,447,184)
Total Capital Assets being Depreciated/Amortized, Net	25,036,589	736,184	(13,322)	25,759,451
Governmental Activities Capital Assets, Net	$ 31,464,579	$ 1,747,510	$ (1,336,558)	$ 31,875,531
Business-Type Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	$ 7,706	$ 3,499	$ (5,311)	$ 5,894
Land	9,462	27	---	9,489
Total Capital Assets not being Depreciated/Amortized	17,168	3,526	(5,311)	15,383
Capital Assets being Depreciated/Amortized:				
Land Improvements	8,915	3,334	---	12,249
Temporary Easements	50	---	---	50
Buildings and Improvements	30,576	557	---	31,133
Equipment	48,726	5,343	(2,410)	51,659
Software	1,769	66	(38)	1,797
Total Capital Assets being Depreciated/Amortized	90,036	9,300	(2,448)	96,888
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(5,104)	(387)	---	(5,491)
Temporary Easements	(14)	(2)	---	(16)
Buildings and Improvements	(16,927)	(789)	---	(17,716)
Equipment	(33,126)	(3,653)	2,331	(34,448)
Software	(1,596)	(114)	38	(1,672)
Total Accumulated Depreciation/Amortization	(56,767)	(4,945)	2,369	(59,343)
Total Capital Assets being Depreciated/Amortized, Net	33,269	4,355	(79)	37,545
Business-Type Activities Capital Assets, Net	$ 50,437	$ 7,881	$ (5,390)	$ 52,928

*Beginning balances as of July 1, 2012 have been restated (see *Note 17*).

Note 5 - Capital Assets (cont.)

Depreciation/amortization expense of governmental activities was charged to functions as follows (in thousands of dollars):

General Government	$	40,497
Education		3,681
Natural and Economic Resources		19,832
Transportation and Law Enforcement		443,742
Human Services		62,572
Total	$	570,324

Discretely Presented Component Units

The following table summarizes net capital assets reported by the discretely presented component units (in thousands of dollars):

	College and Universities	Non-Major Component Units	Total
Capital Assets not being Depreciated/Amortized:			
Construction in Progress	$ 334,561	$ ---	$ 334,561
Land	156,519	7,220	163,739
Other Non-Depreciable/Amortizable Assets	22,241	---	22,241
Total Capital Assets not being Depreciated/Amortized	513,321	7,220	520,541
Capital Assets being Depreciated/Amortized:			
Land Improvements	30,901	---	30,901
Buildings and Improvements	5,529,842	75,687	5,605,529
Equipment, Fixtures, and Books	1,317,546	335	1,317,881
Software	122,923	23	122,946
Infrastructure	531,538	---	531,538
Total Capital Assets being Depreciated/Amortized	7,532,750	76,045	7,608,795
Less Total Accumulated Depreciation/Amortization	(3,258,453)	(11,454)	(3,269,907)
Total Capital Assets being Depreciated/Amortized, Net	4,274,297	64,591	4,338,888
Discretely Presented Component Units - Capital Assets, Net	$ 4,787,618	$ 71,811	$ 4,859,429

Note 6 - Leases

Capital

The State has entered into various agreements to lease land, buildings, and equipment. FASB Statement No. 13, *Accounting for Leases,* requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee to be accounted for as the acquisition of a capital asset and the incurrence of an obligation by the lessee (a capital lease).

Capital leases for the internal service funds, enterprise funds, and college and universities are reported as a long-term obligation in those funds along with the related assets. Capital leases and the related assets are not reported on the fund financial statements of governmental type funds. However, the capital leases and related assets of governmental funds are included on the government-wide financial statements and they are shown on the reconciliation between fund financial statements and government-wide statements.

Following is a summary of the future minimum lease payments for capital leases (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Internal Service Funds	Enterprise Funds	College and Universities
2014	$ 8,553	$ 5,411	$ 72	$ 5,908
2015	8,528	5,423	67	5,908
2016	7,612	5,169	67	5,902
2017	7,127	4,299	67	5,821
2018	6,523	1,551	17	5,814
2019-2023	21,532	---	---	20,861
2024-2027	152	---	---	7,821
Total Minimum Lease Payments	60,027	21,853	290	58,035
Less Amount Representing Interest	(5,519)	(476)	(6)	(11,883)
Present Value of Net Minimum Lease Payments	$ 54,508	$ 21,377	$ 284	$ 46,152

The State has entered into a lease with the Missouri Development Finance Board. The State's obligation under the lease does not constitute a general obligation or other indebtedness of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the Leasehold Revenue Bonds issued by the Board. In November 2005, the Board issued $28,995,000 of Leasehold Revenue Bonds Series 2005 for the purpose of purchasing buildings in Florissant, St. Louis, and Jennings. In May 2006, the Board issued $9,865,000 of Leasehold Revenue Bonds Series 2006 for the purpose of purchasing one building in St. Louis. In June 2013, the Board issued $21,820,000 of Leasehold Revenue Refunding Bonds Series A 2013 and $7,450,000 of Leasehold Revenue Refunding Bonds Series B 2013 for the purpose of refunding $20,805,000 of Leasehold Revenue Bonds Series 2005 and $7,100,000 of Leasehold Revenue Bonds Series 2006, respectively. The payments on these leases are subject to annual appropriation by the State legislature.

Note 6 - Leases (cont.)

Following is a summary of the future minimum lease payments to pay interest and principal of the Leasehold Revenue Bonds (in thousands of dollars):

Fiscal Year Ending June 30	Internal Service Funds
2014	$ 2,431
2015	2,434
2016	2,427
2017	2,417
2018	2,418
2019-2023	12,065
2024-2028	12,038
2029-2031	7,217
Total Minimum Lease Payments	43,447
Less Amount Representing Interest	(10,452)
Present Value of Net Minimum Lease Payments	$ 32,995

Series A 2005 Refunding Certificates of Participation dated March 1, 2005, in the amount of $120,490,000 refunded $13,945,000 of Missouri Public Facilities Corporation Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994, $13,400,000 of Missouri PRC Corporation Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995, $9,915,000 of Northwest Missouri Public Facilities Corporation Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995, and $83,480,000 of Missouri Public Facilities Corporation II Certificates of Participation (Bonne Terre Prison Project) Series A 1999. The State issued Refunding Certificates of Participation Series A 2011 dated June 7, 2011, in the amount of $76,910,000. The Refunding Certificates of Participation refunded $76,065,000 of Series A 2005 Refunding Certificates of Participation.

The State's obligation under these leases does not constitute a general obligation or other indebtedness of the State. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificate, and are subject to annual appropriation by the State legislature.

Note 6 - Leases (cont.)

Following is a summary of the future minimum lease payments for the Certificates of Participation (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds
2014	$ 12,984
2015	13,666
2016	13,666
2017	13,666
2018	13,665
2019	13,669
Total Minimum Lease Payments	81,316
Less Amount Representing Interest	(4,406)
Present Value of Net Minimum Lease Payments	$ 76,910

Assets acquired through these capital lease agreements are recorded as capital assets at the lower of the present value of the minimum lease payments or the fair value at the time of acquisition. The following is the value of the property under capital lease by asset category as of June 30, 2013 (in thousands of dollars):

	Governmental Funds	Internal Service Funds	Enterprise Funds	College and Universities
Buildings	$ 223,133	$ 37,444	$ ---	$ 50,091
Equipment	4,501	26,217	510	12,146
	$ 227,634	$ 63,661	$ 510	$ 62,237

Operating

The State has entered into various operating leases for land, buildings, and equipment. Most of these leases are classified as operating because the lease period is one year with multiple renewal options. Future minimum commitments due under operating leases as of June 30, 2013, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Enterprise Funds	Component Units
2014	$ 37,781	$ 3,937	$ 8,078
2015	1,126	3,764	4,582
2016	1,011	49	3,549
2017	774	---	2,591
2018	614	---	472
2019-2023	1,352	---	---
Total Minimum Commitments	$ 42,658	$ 7,750	$ 19,272

Expenditures for rent under operating leases for the years ended June 30, 2013 and June 30, 2012 were $27,232,000 and $54,042,000, respectively.

Note 6 - Leases (cont.)

Rental Revenue

The State leases certain state owned facilities to entities outside the State. These lessor arrangements are generally long-term commitments which either generate revenue from otherwise idle property or better serve Missouri's citizens by providing convenient access to products and services. The total asset value of the leased facilities is $3.5 million for primary government and $111.8 million for component units. The Department of Natural Resources (DNR) has $9,000 in income from easements on DNR property. This income will be received in perpetuity. The contract conditions and amount for each individual easement can change with the sale of the property requiring the easement. New contracts will be negotiated with new property owners. Future minimum receivables, payable from lessor arrangements as of June 30, 2013, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Primary Government	Component Units
2014	$ 186	$ 4,131
2015	---	3,759
2016	---	3,713
2017	---	3,570
2018	---	3,551
2019-2023	---	15,031
2024-2028	---	14,548
2029-2033	---	14,505
2034-2038	---	14,847
2039-2043	---	11,614
2044-2048	---	4,866
2049-2053	---	1,550
2054-2058	---	1,550
2059-2063	---	1,445
2064-2068	---	612
2069-2073	---	500
2074-2078	---	500
2079-2083	---	500
2084-2088	---	450
Total Minimum Receivables	$ 186	$ 101,242

Note 7 - Retirement Systems

The State has two major retirement systems which cover substantially all state employees. These systems are Missouri State Employees' Retirement System (MOSERS) and Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). The University of Missouri's Retirement Plan is included because the University is a component unit of the State. The Public School Retirement System of Missouri is included in this note disclosure as the State contributes to it.

Plan Descriptions

The Missouri State Employees' Plan (MSEP) and the Judicial Plan are single-employer defined benefit public employees' retirement plans administered by MOSERS. The Plans are administered in accordance with Sections 104.010 and 104.312-104.1215, and 476.445-476.690, RSMo, respectively.

Note 7 - Retirement Systems (cont.)

The MSEP has three benefit structures known as MSEP (closed plan), MSEP 2000, and MSEP 2011. The MSEP covers all full-time employees hired before July 1, 2000, who are not covered under another state-sponsored retirement plan. MSEP 2000 covers all full-time employees hired on or after July 1, 2000 and before January 2011. MSEP 2011 covers all full-time employees first hired on or after January 1, 2011. Members of the closed plan have the option at retirement to choose between the benefit structure of the MSEP or MSEP 2000.

The Judicial Plan covers eligible members appointed/elected before January 1, 2011. The Judicial Plan 2011 covers eligible members appointed/elected for the first time on or after January 1, 2011.

MOSERS provides retirement, survivor, and disability benefits to its members. Employees covered by the MSEP and the MSEP 2000 plans are fully vested after 5 years of creditable service (4 years for elected officials and either 4 or 6 years for legislators). Employees covered by the MSEP 2011 plan are fully vested after 10 years of creditable service. The retirement eligibility requirements are as follows:

MSEP
Age 65 and active with 4 years of service
Age 65 with 5 years of service
Age 60 with 15 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 55 with at least 10 years of service with reduced benefits.

MSEP 2000
Age 62 with 5 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 57 with at least 5 years of service with reduced benefits.

MSEP 2011
Age 67 with 10 years of service
Age 55 with age and service equaling 90 or more (Rule of 90)
Employees may retire early at age 62 with at least 10 years of service with reduced benefits.

Judicial Plan
Age 62 with 12 years of service
Age 60 with 15 years of service
Age 55 with 20 years of service
Employees may retire early at age 62 with less than 12 years of service or age 60 with less than 15 years of service with a reduced benefit that is based upon years of service relative to 12 or 15 years.

Judicial Plan 2011
Age 67 with 12 years of service
Age 62 with 20 years of service
Employees may retire early at age 67 with less than 12 years of service with reduced benefits or age 62 with less than 20 years of service with a reduced benefit based on years of service.

For members hired prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the percentage increase in the average Consumer Price Index (CPI) from one year to the next, with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members hired on or after August 28, 1997, COLAs are provided annually based on 80% of the percentage increase in the average CPI from one year to the next, up to a maximum rate of 5%. Qualified, terminated-vested members of MSEP and the Judicial Plan may make a one-time election to receive the present value of their benefit in a lump sum payment. To qualify, a member must have terminated with at least 5, but less than 10 years of service, be less than age 60, and have a benefit present value of less than $10,000.

Note 7 - Retirement Systems (cont.)

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) is a single-employer defined benefit public employees' retirement system administered in accordance with Sections 104.010-104.1093, RSMo.

MPERS membership is composed of qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff.

MPERS provides retirement, survivor, and disability benefits to its members. The MPERS has three benefit structures known as the Closed Plan, the Year 2000 Plan, and the Year 2000 Plan-2011 Tier. Generally, the Closed Plan covers employees hired before July 1, 2000. The Year 2000 Plan generally covers employees hired on or after July 1, 2000 and before January 2011. The Year 2000 Plan-2011 Tier covers employees hired on or after January 1, 2011. Employees covered by the Closed Plan and the Year 2000 Plan are fully vested after 5 years of creditable service. Employees covered by the 2011 Tier are fully vested after 10 years of creditable service.

The retirement eligibility requirements are as follows:

Closed Plan

MoDOT and non-uniformed patrol members:	Uniformed patrol members:
Age 65 and active with 4 or more years of service	Age 55 and active with 4 or more years of service
Age 65 with 5 or more years of service	Age 55 with 5 or more years of service
Age 60 with 15 or more years of service	Age 48 with sum of age and service equaling 80 or more (Rule of 80)
Age 48 with sum of age and service equaling 80 or more (Rule of 80)	Mandatory retirement at age 60

All non-uniformed members may retire early with reduced benefits at age 55 with at least 10 years of service.

For members employed prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the change in the Consumer Price Index (CPI) with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members employed on or after August 28, 1997, COLAs are provided annually based on 80% of the increase in the CPI up to a maximum rate of 5%.

Year 2000 Plan

MoDOT and non-uniformed patrol members:	Uniformed patrol members:
Age 62 with 5 or more years of service	Age 48 with sum of age and service equaling 80 or more (Rule of 80)
Age 48 with sum of age and service equaling 80 or more (Rule of 80)	Mandatory retirement at age 60 with 5 or more years of service

All members may retire early with reduced benefits at age 57 with at least 5 years of service. COLAs are provided annually based on 80% of the change in the CPI up to a maximum rate of 5%.

Year 2000 Plan-2011 Tier

MoDOT and non-uniformed patrol members:	Uniformed patrol members:
Age 67 with 10 or more years of service	Age 55 and active with 10 or more years of service
Age 55 with sum of age and service equaling 90 or more (Rule of 90)	Mandatory retirement at age 60 with no minimum service amount

Note 7 - Retirement Systems (cont.)

Active MoDOT and non-uniformed patrol members may retire early with reduced benefits at age 62 with at least 10 years of service. Terminated and vested uniformed patrol members may retire at age 67 with 10 or more years of service. COLAs are provided annually based on 80% of the change in the CPI up to a maximum rate of 5%.

Copies of financial reports issued by MOSERS and MPERS may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

Funding Policy

MOSERS administers plans which cover substantially all State of Missouri employees. The State of Missouri is obligated by state law to make all required contributions to the MSEP (closed plan), MSEP 2000, MSEP 2011, and Judicial Plans. Beginning January 1, 2011, employee contributions of 4% of gross pay are required for those covered by the MSEP 2011 and Judicial Plan 2011. The actuarially determined contributions are expressed as a level percentage of covered payroll. Current year actuarially determined contribution rates for the MSEP and the Judicial Plan are 14.45% and 56.92%, respectively. Actual contribution rates are the same as the actuarially determined rates.

The State of Missouri makes required contributions to MPERS. Beginning January 1, 2011, employee contributions of 4% of gross pay are required for those covered by the Year 2000 Plan-2011 Tier. Current year calculated contribution rates are 55.03% for uniformed members of the Highway Patrol and 50.92% for non-uniformed members of the Highway Patrol and employees of the Missouri Department of Transportation. Actual contribution rates are the same as the actuarially determined rates.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for the current year were as follows (in thousands of dollars):

	MSEP	Judicial Plan	MPERS
Annual required contribution	$ 274,655	$ 28,331	$ 170,836
Interest on net pension obligation	5,642	3,886	---
Actuarial adjustment to annual required contribution	(4,471)	(3,079)	---
Annual pension cost	275,826	29,138	170,836
Contributions made	(274,655)	(28,331)	(170,836)
Increase in net pension obligation	1,171	807	---
Net pension obligation, beginning of year	70,527	48,573	---
Net pension obligation, end of year	$ 71,698	$ 49,380	$ ---

Note 7 - Retirement Systems (cont.)

The annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension obligation for three years are as follows (in thousands of dollars):

	MSEP			Judicial Plan		
	Fiscal Year Ending			Fiscal Year Ending		
	06/30/13	06/30/12	06/30/11	06/30/13	06/30/12	06/30/11
Annual Pension Cost (APC)	$ 275,826	$ 264,526	$ 265,108	$ 29,138	$ 27,118	$ 28,867
Percentage of APC Contributed	99.58%	99.56%	99.36%	97.23%	97.08%	95.97%
Net Pension Obligation	$ 71,698	$ 70,527	$ 69,375	$ 49,380	$ 48,573	$ 47,780

	MPERS		
	Fiscal Year Ending		
	06/30/13	06/30/12	06/30/11
Annual Pension Cost (APC)	$ 170,836	$ 164,880	$ 150,022
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	$ ---	$ ---	$ ---

Funded Status and Funding Progress

The funded status of the Plans as of June 30, 2013, are as follows (in thousands of dollars):

	MSEP	Judicial Plan	MPERS
Actuarial Value of Assets	$ 8,096,437	$ 111,140	$ 1,657,402
Actuarial Accrued Liability (AAL) Entry Age	$ 11,134,637	$ 435,378	$ 3,583,976
Unfunded Actuarial Accrued Liability (UAAL)	$ 3,038,201	$ 324,238	$ 1,926,573
Funded Ratio	72.7%	25.5%	46.2%
Covered Payroll	$ 1,880,213	$ 48,698	$ 329,482
UAAL as a Percentage of Covered Payroll	161.6%	665.8%	584.7%

Actuarial Methods and Assumptions

The annual required contribution for MOSERS for the current year was determined as part of an actuarial valuation of the Systems as of June 30, 2011, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation for MOSERS include: a) rate of return on the investment of present and future assets of 8.5% per year compounded annually, b) projected salary increases of 4.0% per year annually, attributable to inflation, c) additional projected salary increases ranging from 0.3% to 3.5% per year for MSEP and 0% to 1.6% for the Judicial Plan, depending on age, attributable to seniority and/or merit, and d) the assumption that benefits will increase 4.0% per year after retirement.

Note 7 - Retirement Systems (cont.)

The actuarial valuation of the System dated June 30, 2013, will set the required contribution rates for the fiscal year ending June 30, 2015. The actuarial value of assets is based on a method that fully recognizes expected investment return and averages unanticipated market return over a 3-year period for MSEP and a 5-year period for the Judicial Plan. The unfunded actuarial accrued liabilities are amortized on a closed basis for MSEP and an open basis for the Judicial Plan.

The annual required contribution for MPERS for the current fiscal year was determined as part of an actuarial valuation as of June 30, 2011, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation for MPERS include: a) rate of return on the investment of 8.25% per year compounded annually, and b) projected wage inflation rate of 3.75%.

The actuarial valuation of MPERS dated June 30, 2013, will be used to determine the contribution rate for the Plan year ending June 30, 2015. The actuarial value of assets is based on a 3-year smoothed market value method. The total contribution is based on a 11-year amortization period for unfunded retiree liabilities and a 26-year amortization period for other unfunded liabilities.

Public School Retirement System of Missouri:

The State of Missouri also made employer contributions to the Public School Retirement System of Missouri which is a cost-sharing multiple-employer defined benefit public employees' retirement system. The System includes all public school districts within the State except for the two districts covering the major metropolitan areas. It also includes certain public college and universities and some state employees.

The benefit provisions include retirement annuities, death benefits, and disability benefits. A member is vested after acquiring five years of membership credit for Missouri service.

The System was created and is governed by Chapter 169 of the Revised Statutes of Missouri. State employees who elected to remain with the Public School Retirement System under Section 104.342, RSMo, are covered by the System.

Employees of the State are not required to contribute. The State, as employer, contributed $4,933,000, $3,013,000, and $3,458,000 for the years ending June 30, 2013, 2012, and 2011, respectively, to the System, equal to the required contributions for each year.

Copies of the System's June 30, 2013, Comprehensive Annual Financial Report may be requested from:

Public School Retirement System of Missouri
P.O. Box 268
3210 West Truman Boulevard
Jefferson City, Missouri 65102-0268

College and Universities:

University of Missouri Retirement System

Plan Description

The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer, defined benefit plan for all qualified employees. The University's Board of Curators establishes the terms of the Plan and administers it as authorized by State statute.

Note 7 - Retirement Systems (cont.)

Full-time employees vest in the Retirement Plan after five years of credited service and become eligible for benefits based on age and years of service. A vested employee who retires at age 65 or older is eligible for a lifetime annuity calculated at a certain rate times the credited service years times the compensation base (average consumption for the five highest consecutive salary years). The rate is 2.2% if the employee was hired before October 1, 2012, or 1.0% if the employee was hired after September 30, 2012. Vested employees who are at least age 55 and have ten years or more of credited service, or age 60 with at least five years of credited service may choose early retirement with a reduced benefit. However, if the employee retires at age 62 and has at least 25 years of credited service, the benefit is not reduced. At retirement, up to 30% of the retirement annuity can be taken in a lump sum payment; also the standard annuity can be exchanged for an actuarially-equivalent annuity.

Separate financial statements are not prepared for the Plan.

Detailed information concerning the Plan is presented in the University's 2013 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
Office of the Controller
1000 West Nifong, Building 7, Suite 300
Columbia, Missouri 65211

Funding Policy

The University's contributions to the Retirement Plan are equal to the actuarially determined employer contribution requirement, which averaged 8.9% of payroll for the year ended June 30, 2013. Employees are required to contribute 1% of their salary up to $50,000 in a calendar year and 2% of their salary in excess of $50,000. An actuarial valuation of the Plan is performed annually and the University's contribution rate is updated on July 1 at the beginning of the University's fiscal year, to the actuarially determined amount from the most recent valuation as of the preceding October 1. This actuarial valuation reflects the adoption of any Retirement Plan amendments during the previous fiscal year.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for the current year were as follows (in thousands of dollars):

	University of Missouri System
Annual required contribution	$ 94,176
Interest on net pension obligation	---
Actuarial adjustment to annual required contribution	---
Annual pension cost	94,176
Contributions made	(94,176)
Change in net pension obligation	---
Net pension obligation, beginning of year	---
Net pension obligation, end of year	$ ---

Note 7 - Retirement Systems (cont.)

The annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension obligation for three years are as follows (in thousands of dollars):

	Fiscal Year Ending		
	06/30/13	06/30/12	06/30/11
Annual Pension Cost (APC)	$ 94,176	$ 74,618	$ 57,541
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	$ ---	$ ---	$ ---

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2013, is as follows (in thousands of dollars):

	Actuarial Valuation October 1, 2012
Actuarial Value of Assets	$ 2,790,622
Actuarial Accrued Liability (AAL) Entry Age	$ 3,308,967
Unfunded Actuarial Accrued Liability (UAAL)	$ 518,345
Funded Ratio	84.34%
Covered Payroll	$ 1,046,075
UAAL as a Percentage of Covered Payroll	49.55%

Actuarial Methods and Assumptions

The annual required contribution for the University for the current fiscal year was determined as part of an actuarial valuation of the System as of October 1, 2012, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation include: a) assumed rate of return on investments of 8.0% per year, b) projected salary increases for academic and administrative employees averaging 5.4% per year, c) projected salary increases for clerical and service employees averaging 4.5% per year, and d) assumed no future retiree ad-hoc increases or cost of living adjustments.

Note 8 - Other Postemployment Benefits

In addition to the retirement benefits described in *Note 7*, the State provides postemployment health care and life insurance benefits, in accordance with State statutes, to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT and MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). The eligible number of retirees/long-term disability claimants for MCHCP, MHPML, and CEIP for health care benefits are approximately 19,379, 6,094, and 800, respectively. The eligible number of retirees/long-term disability claimants for MOSERS, MHPML, and CEIP for life insurance benefits are 22,103, 3,873, and 462, respectively. Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. MOSERS employer contribution rates are set by the Standard Insurance Company. MHPML and CEIP life insurance benefits are funded through employee contributions. MHPML and CEIP employer contribution rates are set by the Plans Board of Trustees and approved by their respective Commission. Employer contribution rates for MCHCP are set in accordance with Section 103.100, RSMo. Retiree contribution rates are established based on projected claims experience and funding provided by employer contributions. Insurance policies are purchased for life insurance benefits and are the liability of the insurance carrier. For fiscal year 2013, the State's contributions were 49.43% of the total (employer/employee) contributions made for other postemployment benefits.

During fiscal year 2013, the State contributed the following amounts (in thousands of dollars):

	Health Care	Life Insurance
MCHCP	$ 54,006	$ ---
MOSERS	---	1,869
MHPML	17,119	---
CEIP	2,755	---
Total	$ 73,880	$ 1,869

During fiscal year 2013, the expenditures recognized by the State for (employer/employee) other postemployment benefits were as follows (in thousands of dollars):

	Health Care	Life Insurance
MCHCP	$ 106,639	$ ---
MHPML	45,210	---
CEIP	5,256	331
Total	$ 157,105	$ 331

Funding Policy

The contribution requirements of MCHCP, MHPML, and CEIP are established and may be amended by the State legislature, Missouri Highways and Transportation Commission, and the Conservation Department Board of Trustees, respectively. The required contribution for MHPML and CEIP is based on an actuarial study and is financed on a pay-as-you-go basis. For fiscal year 2013, MCHCP, MHPML, and CEIP contributed $54.0, $28.6, and $5.4 million, respectively.

Note 8 - Other Postemployment Benefits (cont.)

Annual OPEB Cost and Net OPEB Obligation

The MCHCP, MHPML, and CEIP annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Fiscal Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of MCHCP, MHPML, and CEIP annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the net OPEB obligation (in thousands of dollars):

	MCHCP	MHPML	CEIP
Annual required contribution	$ 93,385	$ 109,975	$ 12,740
Interest on net OPEB contribution	12,035	16,989	1,283
Adjustments to annual required contribution	(8,528)	(22,182)	(1,106)
Annual OPEB cost	96,892	104,782	12,917
Contributions made	(54,006)	(28,577)	(5,371)
Increase in net OPEB obligation	42,886	76,205	7,546
Net OPEB obligation, beginning of year	185,150	377,530	32,075
Net OPEB obligation, end of year	$ 228,036	$ 453,735	$ 39,621

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2013 are as follows (in thousands of dollars):

	MCHCP			MHPML		
	Fiscal Year Ending			Fiscal Year Ending		
	06/30/13	06/30/12	06/30/11	06/30/13	06/30/12	06/30/11
Annual OPEB Cost (AOC)	$ 96,892	$ 103,429	$ 101,678	$ 104,782	$ 105,844	$ 109,285
Percentage of AOC Contributed	55.74%	55.20%	52.47%	27.27%	27.00%	27.77%
Net OPEB Obligation	$ 228,036	$ 185,150	$ 138,811	$ 453,735	$ 377,530	$ 300,263

	CEIP		
	Fiscal Year Ending		
	06/30/13	06/30/12	06/30/11
Annual OPEB Cost (AOC)	$ 12,917	$ 12,636	$ 9,899
Percentage of AOC Contributed	41.58%	39.30%	36.78%
Net OPEB Obligation	$ 39,621	$ 32,075	$ 24,405

Note 8 - Other Postemployment Benefits (cont.)

Funded Status and Funding Progress

The funded status of the Plans as of June 30, 2013, are as follows (in thousands of dollars):

	MCHCP	MHPML	CEIP
Actuarial Accrued Liability (AAL)	$ 1,485,600	$ 1,082,655	$ 192,190
Less Actuarial Value of Plan Assets	89,500	---	---
Unfunded Actuarial Accrued Liability (UAAL)	$ 1,396,100	$ 1,082,655	$ 192,190
Funded Ratio	6.02%	0.00%	0.00%
Covered Payroll	$ 1,552,700	$ 329,482	$ 51,186
UAAL as a Percentage of Covered Payroll	89.91%	328.59%	375.47%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation for fiscal year ending June 30, 2013, MCHCP used the entry-age method while MHPML and CEIP used the projected unit credit cost method. The actuarial assumptions for MCHCP, MHPML, and CEIP include a 6.5%, 4.5%, and 4.0% discount rate, respectively. The projected annual health care cost trend rate for non-Medicare health care is 7.4% initially, then decreasing by 0.3% per year to an ultimate rate of 5.0%. The projected annual health care cost trend rate for Medicare health care is 7.8% initially, then decreasing by 0.2% per year to an ultimate rate of 5.0%. The UAAL is being amortized at a level dollar amount over an open basis, over a 30-year period.

College and Universities:

University of Missouri System

In addition to the retirement benefits described in *Note 7*, the University provides postemployment medical care, dental care, and life insurance benefits to eligible employees who retire from the University and to employees receiving long-term disability benefits. Currently, 6,739 retirees/long-term disability claimants meet the eligibility requirements. These postemployment benefits are funded through both employer and employee contributions. For fiscal year 2013, the University's contributions were 57.01% of the total (employer/employee) contributions made for other postemployment benefits.

Note 8 - Other Postemployment Benefits (cont.)

Currently, the number of retirees/long-term disability claimants participating in medical care, dental care, and life insurance are 5,345, 5,516, and 3,004, respectively. During fiscal year 2013, the University contributed $33,635,000 for other postemployment benefits. The expenditures recognized by the University for (employer/employee) other postemployment benefits were $35,516,000.

Funding Policy

In June 2008, the University established its OPEB Trust Fund, the assets of which are irrevocable and legally protected from creditors and dedicated to providing postemployment benefits in accordance with terms of the Plan. Previously, postemployment benefit costs other than long-term disability were funded on a current basis, and expenses were recorded on a pay-as-you-go basis. Long-term disability costs were recognized during the period in which the employee became eligible to receive disability benefits.

The University's OPEB Trust Fund does not issue a separate financial report, but is included in the University's financial report using the economic resources measurement focus and accrual basis of accounting. The University currently plans to contribute to the trust fund an amount that, in addition to the current year premium contributions, is sufficient to fund 50% of the annual required contribution (ARC).

Annual OPEB Cost and Net OPEB Obligation

The University's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the University's net OPEB obligation for fiscal year 2013 (in thousands of dollars):

	University of Missouri System
Annual required contribution	$ 50,954
Interest on net OPEB obligation	6,296
Adjustment to annual OPEB obligation	(5,360)
Annual OPEB cost	51,890
Contributions made	(19,177)
Increase in net OPEB obligation	32,713
Net OPEB obligation (asset), beginning of year	109,496
Net OPEB obligation, end of year	$ 142,209

Note 8 - Other Postemployment Benefits (cont.)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2013 was as follows (in thousands of dollars):

	University of Missouri System		
	Fiscal Year Ending		
	06/30/13	06/30/12	06/30/11
Annual OPEB Cost (AOC)	$ 51,890	$ 51,667	$ 60,935
Percentage of AOC Contributed	36.96%	49.31%	49.63%
Net OPEB Obligation	$ 142,209	$ 109,496	$ 83,306

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2013, was as follows (in thousands of dollars):

	University of Missouri System
Actuarial Accrued Liability (AAL)	$ 542,844
Less Actuarial Value of Plan Assets	45,745
Unfunded Actuarial Accrued Liability (UAAL)	$ 497,099
Funded Ratio	8.43%
Covered Payroll	$ 1,041,413
UAAL as a Percentage of Covered Payroll	47.73%

Actuarial Methods and Assumptions

In the July 1, 2011, actuarial valuation, University of Missouri System used the projected unit credit cost method. The actuarial assumptions for University of Missouri System included a 5.75% rate of return, net of administrative expenses. The projected annual health care cost trend rate is 5.0% to 9.0% initially, reduced by 0.5% decrements to an ultimate rate of 5.0%. The UAAL is being amortized at a level dollar amount over an open basis, level percent of pay, over a 30-year period.

Note 9 - Deferred Compensation

Missouri State Public Employees' Deferred Compensation Plan:

In accordance with Internal Revenue Code Section 457, the State offers all employees the opportunity to participate in the Missouri State Public Employees' Deferred Compensation Plan. Under the Plan, employees are permitted to defer a portion of their current salary until future years.

All amounts of compensation deferred under the Plan must be held in a trust, custodial account, or annuity contract for the exclusive benefit of Plan participants and their beneficiaries. Investments are managed by the Plan's trustee under one of several investment options, or a combination thereof. The choice between the investment option(s) available by the Plan is made by the participants.

Note 9 - Deferred Compensation (cont.)

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri State Public Employees' Deferred Compensation Incentive Plan:

The Plan was established by the Missouri State Public Employees' Deferred Compensation Commission in July 1995 pursuant to Section 401(a) of the Internal Revenue Code.

Under the Plan provisions, any employee of the State is eligible to participate in the Plan if he/she has been an employee of the State for at least 12 consecutive months preceding any employer contributions to the Plan, and is making continuous monthly deferrals of at least $25 to the Missouri State Public Employees' Deferred Compensation Plan. The State, subject to appropriation, contributes $25, $30, or $35 per month for each employee that meets these requirements based on employee contribution. As of March 2010, employer incentive (match) associated with the State of Missouri Deferred Compensation Plan was suspended until further notice. Participating employees are 100% vested.

The first employer contributions to the Plan were made in January 1996. The Plan receives contributions from employees as well as rollovers from other qualified plans. During fiscal year 2013, rollover contributions to ICMA-RC were $41,986,000 and employer contributions to ICMA-RC were $2,000.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Note 10 - Changes in Short-Term Liabilities

The State uses a bank overdraft line of credit to compensate for timing in cash payments and receipts.

The following is a summary of the changes in short-term liabilities for the year ended June 30, 2013 (in thousands of dollars):

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
Governmental Activities:				
Bank Overdraft	$ 2	$ 921,747	$ (921,741)	$ 8

Note 11 - Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013 (in thousands of dollars):

	*Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Due Within One Year
Governmental Activities:					
Due to Other Entities	$ 28,477	$ 9,509	$ (11,493)	$ 26,493	$ 14,967
General Obligation Bonds Payable	432,765	162,855	(217,470)	378,150	54,755
Other Bonds Payable	3,735,920	278,835	(451,980)	3,562,775	182,280
Unamortized Bond Premium	142,277	48,276	(27,001)	163,552	---
Obligations under Lease/ Purchases	188,145	12,257	(14,612)	185,790	25,760
Pollution Remediation	11,190	198	(176)	11,212	2,478
Compensated Absences	155,939	175,492	(174,403)	157,028	147,247
Claims Liabilities	151,246	399,018	(400,804)	149,460	80,962
Contingent Liabilities	20,232	3,947	(8,544)	15,635	15,635
2nd Injury Fund Contingent Liabilities	1,597,447	122,534	(42,494)	1,677,487	42,494
Net Other Postemployment Benefit Obligation	594,755	214,591	(87,954)	721,392	---
Net Pension Obligation	119,100	475,800	(473,822)	121,078	---
Total Governmental Activities	$ 7,177,493	$ 1,903,312	$ (1,910,753)	$ 7,170,052	$ 566,578
Business-Type Activities:					
Obligations under Lease/ Purchases	$ 356	$ ---	$ (72)	$ 284	$ 69
Claims Liabilities	108,189	13,045	(10,840)	110,394	15,000
Grand Prize Winner Liability	98,564	57,373	(59,025)	96,912	62,868
Compensated Absences	3,745	4,317	(4,000)	4,062	4,000
Loans Payable	562,805	59,422	(313,682)	308,545	277,045
Total Business-Type Activities	$ 773,659	$ 134,157	$ (387,619)	$ 520,197	$ 358,982

*Beginning balances as of July 1, 2012 have been restated (see *Note 17*).

Note 12 - Bonds Payable

Bonds are long-term liabilities and are reconciling items from governmental fund financial statements to government-wide financial statements. On the Government-Wide Statement of Net Position, the long-term liabilities are shown as the amounts due within one year from the date of the statement and the amounts due in more than one year from the date of the statement.

General Obligation Bonds:

The Board of Fund Commissioners of the State of Missouri, upon voter approval and subsequent authorization of the General Assembly, issues general obligation bonds that are secured by a pledge of the full faith, credit, and resources of the State. The principal and interest amounts are transferred one year in advance from the General Fund or other funds to the debt service funds from which principal and interest payments are made. Three types of general obligation bonds are currently outstanding. Proceeds from the Water Pollution Control Bonds were used to provide funds for the protection of the environment through the control of water pollution. Proceeds from the Fourth State Building Bonds were used to provide funds for improvements of buildings and property of higher education institutions, Department of Corrections, and the Division of Youth Services. Proceeds from the Stormwater Control Bonds were used to provide funds to protect the environment through the control of stormwater.

To take advantage of lower interest rates, the Board of Fund Commissioners has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Water Pollution Control Bonds:				
Series A 1987-Refunding	8/1/87	$ 49,715	A 1981	$ 16,940
			B 1983	9,625
			A 1985	19,575
Series B 1991-Refunding	11/1/91	17,435	A 1983	16,415
Series C 1991-Refunding	11/1/91	33,575	B 1987	30,695
Series B 1992-Refunding	8/15/92	50,435	A 1986	46,400
Series B 1993-Refunding	8/1/93	109,415	A 1987-Refunding	33,240
			A 1989	27,280
			A 1991	27,350
			B 1991-Refunding	11,355
Series B 2002-Refunding	10/15/02	147,710	C 1991-Refunding	21,875
			A 1992	26,560
			B 1992-Refunding	33,595
			A 1993	22,350
			A 1995	22,520
			A 1996	25,900
Series A 2003-Refunding	10/29/03	74,655	B 1993-Refunding	76,540
Series A 2005-Refunding	6/29/05	95,100	A 1996	2,160
			A 1998	28,680
			A 1999	17,595
			A 2003-Refunding	51,535
Series A 2010-Refunding	7/27/10	81,450	A 2001	15,030
			A 2002	20,225
			B 2002-Refunding	12,990
			A 2005-Refunding	8,595
			A 2007	31,385
Series A 2012-Refunding	9/27/12	62,460	A 2002	3,225
			B 2002-Refunding	64,080

Note 12 - Bonds Payable (cont.)

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Fourth State Building Bonds:				
Series A 2002-Refunding	10/15/02	154,840	A 1995	56,300
			A 1996	92,485
Series A 2005-Refunding	6/29/05	45,330	A 1996	7,715
			A 1998	40,970
Series A 2010-Refunding	7/27/10	9,060	A 2002-Refunding	8,970
			A 2005-Refunding	1,470
Series A 2012-Refunding	9/27/12	100,395	A 2002-Refunding	110,535
Stormwater Control Bonds:				
Series A 2005-Refunding	6/29/05	17,175	A 1999	17,595
Series A 2010-Refunding	7/27/10	15,150	A 2001	7,320
			A 2002	8,475
			A 2005-Refunding	905

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2013, $594,494,240 of the Water Pollution Control Bonds; $250,000,000 of the Fourth State Building Bonds; and $45,000,000 of the Stormwater Control Bonds have been issued. The remaining authorization for the Water Pollution Control Bonds is $130,505,760 and for Stormwater Control Bonds is $155,000,000. There is no remaining authorization for the Fourth State Buildings Bonds.

General obligation bonds issued and outstanding as of June 30, 2013, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Water Pollution Control Bonds:						
Series A 2003-Refunding	3.25 - 6.0%	2/1; 8/1	10/03	8/1/16	$ 74,655	$ 14,695
Series A 2005-Refunding	5.0%	10/1; 4/1	6/05	10/1/16	95,100	42,880
Series A 2007	4.0 - 5.0%	6/1; 12/1	11/07	12/1/21	50,000	15,030
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	81,450	75,620
Series A 2012-Refunding	3.0 - 4.0%	10/1; 4/1	9/12	10/1/19	62,460	62,460
Fourth State Building Bonds:						
Series A 2005-Refunding	5.0%	10/1; 4/1	6/05	10/1/16	45,330	32,750
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	9,060	8,410
Series A 2012-Refunding	2.0 - 4.0%	10/1; 4/1	9/12	10/1/21	100,395	100,395
Stormwater Control Bonds:						
Series A 2002	3.0 - 5.25%	2/1; 8/1	8/02	8/1/15	15,000	1,610
Series A 2005-Refunding	5.0%	10/1; 4/1	6/05	10/1/15	17,175	10,235
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	15,150	14,065
Total General Obligation Bonds					$ 565,775	$ 378,150
Less: Amount in Sinking Fund for payment of Principal						(72,364)
						$ 305,786

Note 12 - Bonds Payable (cont.)

As of June 30, 2013, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2014	$ 54,755	$ 15,370	$ 70,125
2015	57,120	13,003	70,123
2016	57,395	10,417	67,812
2017	54,050	7,879	61,929
2018	50,135	5,592	55,727
2019-2023	104,695	9,088	113,783
Totals	$ 378,150	$ 61,349	$ 439,499

Other Bonds:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and commits state agencies to lease space in these buildings. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and to pay the costs of operations. The total amount authorized for the Board equals $945,000,000.

To take advantage of lower interest rates, the Board of Public Buildings has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Board of Public Buildings:				
Series A 1983-Refunding	10/01/83	$ 43,445	A 1981	$ 43,445
Series A 1985-Refunding	12/01/85	150,560	1966	2,160
			1967	825
			A 1978	11,745
			A 1979	2,260
			A 1980	3,795
			A 1983-Refunding	39,875
			A 1984	89,900
Series A 1991-Refunding	12/01/91	148,500	A 1985-Refunding	107,700
			A 1988	19,165
			B 1988	2,550
			C 1988	2,145
Series B 2001-Refunding	10/10/01	83,465	A 1991-Refunding	86,810
Series A 2011-Refunding	09/27/11	143,020	A 2001	126,850
			A 2003	12,620
			A 2006	3,175
Series A 2012-Refunding	08/23/12	278,835	A 2003	285,340

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

Note 12 - Bonds Payable (cont.)

As of June 30, 2013, the Board of Public Buildings Bonds had issued $871,205,000 of the bond authorization. The remaining authorization is $73,795,000.

The Board of Public Buildings Bonds issued and outstanding as of June 30, 2013, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Board of Public Buildings:						
Series A 2003	4.0 - 6.0%	4/15;10/15	4/03	10/15/28	$ 387,425	$ 31,605
Series A 2006	4.0 - 5.0%	4/1; 10/1	10/06	10/1/31	120,000	102,125
Series A 2011-Refunding	1.0 - 5.0%	4/1; 10/1	9/11	10/1/28	143,020	143,020
Series A 2012-Refunding	2.0 - 5.0%	4/1; 10/1	8/12	10/1/28	278,835	278,835
Total Board of Public Buildings Bonds					$ 929,280	$ 555,585

As of June 30, 2013, the debt service requirements for principal and interest in future years for the Board of Public Buildings Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2014	$ 12,155	$ 21,470	$ 33,625
2015	26,645	20,694	47,339
2016	27,540	19,558	47,098
2017	28,535	18,347	46,882
2018	29,800	17,018	46,818
2019-2023	169,770	62,786	232,556
2024-2028	199,830	27,038	226,868
2029-2032	61,310	3,234	64,544
Totals	$ 555,585	$ 190,145	$ 745,730

The Missouri Health and Educational Facilities Authority (MOHEFA) issued $35,000,000 of Educational Facilities Revenue Bonds (University of Missouri-Columbia Arena Project) Series 2001, dated November 1, 2001, to fund the design, acquisition, construction, furnishing, and equipping of a sports arena facility and related facilities on the University of Missouri-Columbia campus. The Missouri Health and Educational Facilities Authority (MOHEFA) issued $20,125,000 of Educational Facilities Refunding Revenue Bonds Series 2011, dated November 17, 2011. The Refunding Educational Facilities Revenue bonds refunded $22,770,000 of Educational Facilities Revenue Bonds Series 2001. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

Note 12 - Bonds Payable (cont.)

The Educational Facilities Revenue Bonds issued and outstanding as of June 30, 2013, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Educational Facilities Revenue Bonds:						
Series 2011-Refunding	2.0 - 5.0%	4/1; 10/1	11/11	10/1/21	$ 20,125	$ 18,450

As of June 30, 2013, the debt service requirement of the State for principal and interest in future years for the Educational Facilities Revenue Bonds (based on the financing agreement between the State and the Authority) were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2014	$ 1,720	$ 807	$ 2,527
2015	1,780	745	2,525
2016	1,860	672	2,532
2017	1,930	597	2,527
2018	2,015	508	2,523
2019-2022	9,145	943	10,088
Totals	$ 18,450	$ 4,272	$ 22,722

The Regional Convention and Sports Complex Authority issued $132,910,000 of Convention and Sports Facility Project Bonds Series A 1991, dated August 15, 1991, to finance the costs of acquiring land and constructing a multi-purpose convention and indoor sports facility in downtown St. Louis, Missouri. On December 15, 1993, the Authority issued $121,705,000 of Convention and Sports Facility Project Refunding Bonds Series A 1993 for the purpose of refunding the callable portions of the outstanding bonds issued in August 1991 and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was $101,410,000. On August 1, 2003, the Authority issued $116,030,000 of Convention and Sports Facility Project Refunding Bonds Series A 2003 for the purpose of refunding Convention and Sports Facility Project Bonds Series A 1991 and Series A 1993 refunding bonds and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was $2,845,000 for the Series A 1991 bonds and $113,170,000 for the Series A 1993 refunding bonds. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State.

The Convention and Sports Facility Project Bonds issued and outstanding as of June 30, 2013, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Convention and Sports Facility Project Bonds:						
Series A 2003-Refunding	1.42-5.375%	2/15;8/15	8/03	8/15/21	$ 116,030	$ 70,740

Note 12 - Bonds Payable (cont.)

As of June 30, 2013, the debt service requirements for these bonds are as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2014	$ 6,355	$ 3,478	$ 9,833
2015	6,685	3,139	9,824
2016	7,035	2,777	9,812
2017	7,405	2,396	9,801
2018	7,795	1,997	9,792
2019-2022	35,465	3,628	39,093
Totals	$ 70,740	$ 17,415	$ 88,155

Under a financing agreement dated August 1, 1991, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount of $10,000,000 for principal and interest and $2,000,000 for maintenance each year. Future payments to the Authority related to the bond repayment are as follows (in thousands of dollars):

Fiscal Year Ended June 30	State Debt Service Payments
2014	$ 10,000
2015	10,000
2016	10,000
2017	10,000
2018	10,000
2019-2022	35,000
Total	$ 85,000

State Road Bonds:

The Missouri Highways and Transportation Commission authorized by Article IV, Section 29-34 of the Missouri Constitution and Section 226.133 of the State Highway Act, issues bonds for highway construction and repairs. Under the Missouri Constitution, the principal and interest of the State Road Bonds are payable solely from the revenues of the Missouri Road Fund. State Road Bonds have the following levels of priority: Senior Bonds, First Lien Bonds, Second Lien Bonds, and Third Lien Bonds. Proceeds from State Road Bonds are used for the purpose of constructing and maintaining the State's highways. As of June 30, 2013, the Missouri Highways and Transportation Commission had issued $3,812,195,000.

Note 12 - Bonds Payable (cont.)

To take advantage of lower interest rates, the Missouri Highways and Transportation Commission has issued Bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Commission (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Senior Lien State Road Bonds:				
Series 2006-Refunding	12/12/06	$ 394,870	A 2000	$ 135,980
			A 2001	105,075
			A 2002	109,165
			A 2003	57,390
Series C 2010-Refunding	11/10/10	130,390	A 2001	11,135
			A 2002	18,405
			A 2003	111,760

The State Road Bonds issued and outstanding as of June 30, 2013, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Highways and Transportation Commission:						
State Road Bonds						
Series A 2005-First Lien	2.50 - 5.00%	5/1; 11/1	7/05	5/1/15	$ 278,660	$ 66,270
Series B 2005-Third Lien	Variable	Variable	7/05	5/1/15	72,000	30,685
Series A 2006-First Lien	3.75 - 5.00%	5/1; 11/1	8/06	5/1/21	296,670	211,670
Series B 2006-First Lien	4.50 - 5.00%	5/1; 11/1	8/06	5/1/26	503,330	503,330
Series 2006-Refunding	4.00 - 5.00%	2/1; 8/1	12/06	2/1/22	394,870	381,760
Series 2007-Second Lien	4.00 - 5.25%	5/1; 11/1	9/07	5/1/27	526,800	494,075
Series A 2008-Second Lien	3.00 - 5.00%	5/1; 11/1	12/08	5/1/25	142,735	120,665
Series A 2009	2.00 - 5.00%	5/1; 11/1	9/09	5/1/21	195,625	150,450
Series B 2009	4.802 - 5.252%	5/1; 11/1	9/09	5/1/33	404,375	404,375
Series C 2009-Third Lien	4.313 - 5.213%	5/1; 11/1	11/09	5/1/29	300,000	300,000
Series A 2010	1.50 - 5.00%	5/1; 11/1	3/10	5/1/22	128,865	99,340
Series B 2010	4.720 - 5.020%	5/1; 11/1	3/10	5/1/25	56,135	56,135
Series C 2010-Refunding	3.00 - 5.00%	2/1; 8/1	11/10	2/1/23	130,390	99,245
Total Missouri Highways and Transportation Commission					$ 3,430,455	$ 2,918,000

Note 12 - Bonds Payable (cont.)

As of June 30, 2013, debt service requirements for principal and interest in future years for the Missouri Highways and Transportation Commission were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest [1]	Totals
2014	$ 162,050	$ 143,368	$ 305,418
2015	169,550	136,765	306,315
2016	168,470	129,749	298,219
2017	195,410	121,908	317,318
2018	205,605	112,595	318,200
2019-2023	1,063,410	405,277	1,468,687
2024-2028	723,580	155,963	879,543
2029-2033	229,925	35,328	265,253
Totals	$ 2,918,000	$ 1,240,953	$ 4,158,953

[1] The annual debt service schedule assumes an interest rate of 0.07%, representing the interest rate at June 30, 2013, for the Series B 2005 bonds. During the year, interest rates ranged from 0.06% to 0.24%. Interest is reported net of assumed federal subsidies.

Component Units' Long-Term Debt - The following bonds are included in the balance sheet of the college and universities and the non-major component units.

Major

College and Universities:

The college and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 2013, debt service requirements for principal and interest for the college and universities were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2014	$ 51,169	$ 80,763	$ 131,932
2015	53,339	78,991	132,330
2016	58,478	77,747	136,225
2017	59,580	75,594	135,174
2018	59,601	73,391	132,992
2019-2023	369,058	316,623	685,681
2024-2028	320,410	248,368	568,778
2029-2033	275,214	182,053	457,267
2034-2038	224,621	121,061	345,682
2039-2043	315,848	41,405	357,253
Totals [1]	$ 1,787,318	$ 1,295,996	$ 3,083,314

[1] The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

Note 12 - Bonds Payable (cont.)

Non-Major

Missouri Development Finance Board:

In December 2000, the Board issued $6,500,000 in St. Louis Convention Center Hotel Series 2000B, taxable infrastructure facilities revenue bonds and $14,600,000 in St. Louis Convention Center Hotel Series 2000C, tax-exempt infrastructure facilities revenue bonds, respectively for the purpose of paying the costs of acquiring land and constructing a parking garage. Bonds are payable, both principal and interest, out of revenues derived from the operation of the parking garage.

In April 2010, the Board issued $9,000,000 in Seventh Street Garage Series 2010A, tax exempt infrastructure facilities revenue bonds.

The Missouri Development Finance Board Revenue Bonds issued and outstanding as of June 30, 2013, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Development Finance Board:						
Revenue Bonds						
Series 2000B	Variable	12/1	12/00	12/1/20	$ 6,500	$ 3,910
Series 2000C	Variable	12/1	12/00	12/1/20	14,600	11,440
Series 2010A	Variable	monthly	04/10	05/1/40	9,000	8,814
Total Missouri Development Finance Board Revenue Bonds					$ 30,100	$ 24,164

As of June 30, 2013, the debt service requirements for principal and interest in future years for the Missouri Development Finance Board Revenue Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2014	$ 180	$ 146	$ 326
2015	189	143	332
2016	195	140	335
2017	204	137	341
2018	214	134	348
2019-2023	16,563	583	17,146
2024-2028	1,501	427	1,928
2029-2033	1,855	306	2,161
2034-2038	2,292	157	2,449
2039-2040	971	14	985
Totals [1]	$ 24,164	$ 2,187	$ 26,351

[1] The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

Note 12 - Bonds Payable (cont.)

The annual debt service schedule assumes an interest rate of 0.128%, representing the interest rate at June 30, 2013, for the Series 2000B and Series 2000C bonds. The annual debt service also assumes an interest rate of 4.25%, representing the interest rate as of June 30, 2013, for the Seventh Street Garage Series 2010A bonds. As of June 28, 2012 through April 30, 2015, the Board entered into an interest deferral agreement whereby the bond interest rate for the Seventh Street Garage Series 2010A bonds is the lesser of the modified pay rate of 4.25% annually.

Bond Transactions of the State of Missouri - The following schedule is a summary of bond activity for the fiscal year ended June 30, 2013 (in thousands of dollars):

	Governmental Funds		Component Units	
	General Obligation Bonds	Other Bonds	Revenue Bonds	Totals
Bonds Payable at July 1, 2012	$ 432,765	$ 3,735,920	$ ---	$ 4,168,685
Bond Issuance	162,855	278,835	---	441,690
Bonds Retired	(217,470)	(451,980)	---	(669,450)
Subtotal	378,150	3,562,775	---	3,940,925
College and Universities [1]	---	---	1,787,318	1,787,318
Missouri Development Finance Board	---	---	24,164	24,164
Bonds Payable at June 30, 2013	$ 378,150	$ 3,562,775	$ 1,811,482	$ 5,752,407

[1] Detailed information for college and universities are not shown.

Note 13 - Defeased Debt

A. Current Year Debt Defeasance

On September 27, 2012, the State of Missouri issued $62,460,000 in Water Pollution Control General Obligation Refunding Bonds, Series A 2012, with an interest rate ranging from 3.00% to 5.00%, to refund $3,225,000 of outstanding Water Pollution Control, Series A 2002 with interest rates ranging from 3.00% to 5.00%, and $64,080,000 of outstanding Water Pollution Control, Series B 2002 with interest rates ranging from 3.375% to 5.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. The State reduced its total debt service payments by $9,915,000 to obtain an economic gain (difference between the present values of the old and new debt service payments) of $9,552,000.

On September 27, 2012, the State of Missouri issued $100,395,000 in Fourth State Building General Obligation Refunding Bonds, Series A 2012, with an interest rate ranging from 2.00% to 4.00%, to refund $110,535,000 of outstanding Fourth State Building, Refunding Series A 2002 with interest rates ranging from 3.375% to 5.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. The State reduced its total debt service payments by $18,155,000 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of $17,782,000.

Note 13 - Defeased Debt (cont.)

On August 23, 2012, the Board of Public Buildings of the State of Missouri issued $278,835,000 in Board of Public Buildings Special Obligation Refunding Bonds, Series A 2012, with an interest rate ranging from 2.5% to 5.00%, to refund $285,340,000 of outstanding Board of Public Buildings, Series A 2003, with interest rates ranging 4.00% to 6.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the refunding, the Board reduced its total debt service payments by $43,604,000 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of $41,057,000.

On April 18, 2013, Truman State University issued $20,495,000 in Student Housing System Revenue Bonds – Series 2013, with an interest rate ranging from 2.00% to 4.00%, to refund $22,960,000 of outstanding Student Housing System Revenue Bonds – Series 2004, with interest rates ranging from 4.00% to 5.00%. As a result of the current refunding, the University reduced its total debt service requirements by $8,075,000, which resulted in an economic gain of $55,000.

On February 28, 2013, Southeast Missouri State University issued $82,555,000 of System Facilities Revenue Bonds Series 2013A, with an interest rate ranging from 2.60% to 5.00% to refund $7,805,000 of outstanding System Facilities Revenue Bonds Series 2006A, with interest rates ranging from 4.00% to 4.60%, and $51,615,000 of System Facilities Revenue Bonds Series 2008, with interest rates ranging from 3.55% to 4.75%. As a result of the current refunding, the University reduced its total debt service requirements by $9,713,000, which resulted in an economic gain of $3,188,000.

On December 20, 2012, Northwest Missouri State University issued $52,950,000 of Housing System Refunding Revenue Bonds Series 2012, with an interest rate ranging from 0.70% to 4.00% to refund $20,540,000 of outstanding Housing System Revenue Bonds Series 2003, with interest rates ranging from 3.80% to 5.50%, and $31,700,000 of Housing System Revenue Bonds Series 2005, with interest rates ranging from 4.00% to 5.05%. As a result of the current refunding, the University reduced its total debt service requirements by $9,767,000, which resulted in an economic gain of $5,870,000.

On March 5, 2013, Northwest Missouri State University issued $9,945,000 House System Refunding Revenue Bonds Series 2013, with an interest rate ranging from 1.85% to 2.30% to refund $6,910,000 of outstanding Housing System Revenue Bonds Series 2003, with interest rates ranging from 3.80% to 5.50%, and $5,500,000 of outstanding Housing System Revenue Bonds Series 2006, with interest rates ranging from 3.75% to 4.00%. As a result of the current refunding, the University reduced its total debt service requirements by $531,000, which resulted in an economic gain of $1,323,000.

On November 8, 2012, Missouri Western State University issued $20,840,000 of Auxiliary System Refunding and Improvement Revenue Bonds Series 2012, with an interest rate ranging from 0.70% to 3.55%, to refund $20,095,000 of outstanding Auxiliary System Revenue Bonds Series 2003, with interest rates ranging from 1.38% to 5.00%. As a result of the current refunding, the University reduced its total debt service requirements by $3,276,000, which resulted in an economic gain of $2,460,000.

B. Cumulative Debt Defeasances

Various bond issues have been defeased by creating separate irrevocable trust funds.

Either new debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds or sufficient funds have been deposited in an irrevocable escrow to pay principal and interest as they become due.

Note 13 - Defeased Debt (cont.)

For financial reporting purposes, the following debt has been defeased and therefore removed as a liability from the governmental activities and college and universities Statement of Net Position.

Governmental Activities - As of June 30, 2013, bonds outstanding of $272,265,000 are defeased.

College and Universities - As of June 30, 2013, bonds outstanding of $378,810,000 are defeased.

Note 14 - Payables and Receivables

A summary of accounts payable and accounts receivable at June 30, 2013, is shown below (in thousands of dollars):

	Governmental Activities	Business-Type Activities	Balance June 30, 2013
Accounts Payable:			
Taxpayers	$ 104,973	$ 21	$ 104,994
Other Governments	101,412	8	101,420
Vendors	964,601	17,187	981,788
Employees	107,768	3,044	110,812
Other	90,438	34	90,472
Total Accounts Payable	$ 1,369,192	$ 20,294	$ 1,389,486
Accounts Receivable with expected date of receipt within one year:			
Taxpayers	$ 1,892,336	$ 1,524	$ 1,893,860
Other Governments	604,535	5,611	610,146
Vendors	123,972	---	123,972
Customers	108,224	232,073	340,297
Other	1,122,698	1,038	1,123,736
	3,851,765	240,246	4,092,011
Accounts Receivable with expected date of receipt greater than one year:			
Taxpayers	15,892	---	15,892
Vendors	738,788	---	738,788
Customers	130,574	19	130,593
Other	14,187	---	14,187
	899,441	19	899,460
Accounts Receivable	4,751,206	240,265	4,991,471
Amounts not expected to be collected	(1,325,954)	(60)	(1,326,014)
Accounts Receivable, net	$ 3,425,252	$ 240,205	$ 3,665,457

Note 15 - Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2013, is shown below (in thousands of dollars):

	Due From Other Funds, Component Units, and Primary Government						
	Public Education	Conservation and Environmental Protection	Non-Major Governmental Funds	Non-Major Enterprise Funds	Internal Service Funds	Non-Major Component Units	Totals
Due to Other Funds, Component Units, and Primary Government							
General Fund	$ ---	$ ---	$ ---	$ 39	$ 15,851	$ ---	$ 15,890
Public Education	---	---	---	---	19	---	19
Conservation and Environmental Protection	---	---	---	126	321	---	447
Missouri Road Fund	---	---	---	---	320	5,394	5,714
Non-Major Governmental Funds	---	---	---	1	1,805	---	1,806
State Lottery	3,204	---	---	---	58	---	3,262
Unemployment Compensation	---	---	1,264	---	---	---	1,264
Petroleum Storage Tank Insurance	---	---	---	---	1	---	1
Non-Major Enterprise Funds	---	---	---	---	92	---	92
Internal Service Funds	---	141	---	16	351	---	508
Non-Major Component Units	---	689	---	---	1	---	690
Totals	$ 3,204	$ 830	$ 1,264	$ 182	$ 18,819	$ 5,394	$ 29,693

	Advance From Component Units and Primary Government		
	Missouri Road Fund	Non-Major Component Units	Totals
Advance To Component Units and Primary Government			
Conservation and Environmental Protection	$ ---	$ 3,082	$ 3,082
Non-Major Component Units	4,108	---	4,108
Totals	$ 4,108	$ 3,082	$ 7,190

The loans from the component units were for the construction of additional state highways and for animal waste treatment systems.

During the consolidation process for the Government-Wide Statement of Net Position, interfund payables and receivables were eliminated in governmental activities in the amount of $18,667,000.

The amount reported as "Due from Other Funds" for fiscal year 2013 is significantly less than what was reported in fiscal year 2012. This was due to an adjustment of the State Lottery's accounts receivable balance affecting the amounts due to the Lottery Proceeds Fund from the State Lottery.

Note 16 - Interfund Transfers

All transfers must be legally authorized by the legislature through transfer appropriations. Interfund transfers for the fiscal year ended June 30, 2013, were as follows (in thousands of dollars):

	Transfers In:				
Transfers Out:	General Fund	Public Education	Missouri Road Fund	Non-Major Governmental Funds	State Lottery
General Fund	$ ---	$ 2,830,408	$ ---	$ 240,752	$ ---
Public Education	26,510	---	---	---	---
Conservation and Environmental Protection	587	---	---	2,425	---
Non-Major Governmental Funds	15,037	5,417	509,144	35,551	---
State Lottery	---	280,203	---	---	---
Unemployment Compensation	798	---	---	30,315	---
Non-Major Enterprise Funds	30	---	---	1,249	---
Internal Service Funds	---	---	---	---	21
Totals	$ 42,962	$ 3,116,028	$ 509,144	$ 310,292	$ 21

Continues Below

Transfers Out:	Unemployment Compensation	Non-Major Enterprise Funds	Internal Service Funds	Totals
General Fund	$ 5,573	$ 101	$ 172	$ 3,077,006
Public Education	---	---	---	26,510
Conservation and Environmental Protection	---	---	---	3,012
Non-Major Governmental Funds	---	16,000	---	581,149
State Lottery	---	---	---	280,203
Unemployment Compensation	---	---	---	31,113
Non-Major Enterprise Funds	---	46	---	1,325
Internal Service Funds	---	---	57	78
Totals	$ 5,573	$ 16,147	$ 229	$ 4,000,396

Principal reasons for interfund transfers include:

- moving general revenue funds to support elementary and secondary education
- moving state lottery funds to support elementary and secondary education
- moving general revenue funds to support social assistance programs reported in non-major governmental funds
- moving funds related to the construction of capital assets

During fiscal year 2013, there were transfers of $279,000 from internal service funds to the General Fund and non-major governmental funds. These were transfers of capital assets and are therefore not reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances or on the reconciliation above. This is because governmental funds use the modified accrual basis of accounting and therefore do not report capital assets on their financial statements. There were also transfers of capital assets for $35,000 from the General Fund to non-major enterprise funds. These are reported as capital contributions in the non-major enterprise funds and excluded from the General Fund; therefore, these transfers are also not included in this reconciliation.

Note 17 - Restatements

During fiscal year 2013, additional information became available which required the restatement of fund equity amounts. The following table presents a summary of these restatements by fund (in thousands of dollars):

	June 30, 2012 Fund Balance/ Net Position Previously Reported	Prior Period Adjustments	June 30, 2012 Fund Balance/ Net Position Restated
GOVERNMENTAL FUNDS			
Major Governmental Funds			
General Fund	$ 1,163,593	$ 1,065	$ 1,164,658
Public Education	271,708	(3,285)	268,423
Conservation and Environmental Protection	1,438,960	388	1,439,348
Missouri Road Fund	1,109,069	(176)	1,108,893
Non-Major Governmental Funds			
Special Revenue	487,831	(3,816)	484,015
PROPRIETARY FUNDS			
Non-Major Proprietary Funds			
Enterprise	89,418	2,248	91,666
Internal Service	604,040	(31,869)	572,171
DISCRETELY PRESENTED COMPONENT UNITS			
College and Universities	5,712,454	(2,320)	5,710,134
Non-Major	188,023	(184)	187,839

Breakdown of restatements by type:

- General Fund, the restatement was a decrease in cash and cash equivalents of $106,000, a decrease in investments of $3,671,000, a decrease in invested securities lending collateral of $10,000, an increase in accounts receivable of $1,365,000, a decrease in accounts payable of $3,462,000, a decrease in accrued payroll of $15,000, and a decrease in securities lending obligation of $10,000. Of these amounts the decrease in cash and cash equivalents of $106,000, a decrease in investments of $342,000, a decrease of accounts receivable of $170,000, a decrease of invested securities lending collateral of $10,000, a decrease in accounts payable of $3,000, a decrease in accrued payroll of $15,000, and a decrease in securities lending obligation of $10,000, were due to the reclassification of the State Land Survey Program Fund from a general revenue fund to a special revenue fund (see *Note 2)*.
- Public Education, the restatement was a decrease in cash and cash equivalents of $171,000 and a decrease in investments of $3,114,000.
- Conservation and Environmental Protection, the restatement was an increase in cash and cash equivalents of $106,000, an increase in investments of $224,000, an increase of accounts receivable of $77,000, an increase in invested securities lending collateral of $10,000, an increase of accounts payable of $4,000, an increase in accrued payroll of $15,000, and an increase in securities lending obligation of $10,000. The majority of the restatements were due to the reclassification of the State Land Survey Program Fund from a general revenue fund to a special revenue fund (see *Note 2)*.
- Missouri Road Fund, the restatements was a decrease in accounts receivable of $176,000.
- Non-major special revenue funds, the restatements was an increase in cash and cash equivalents of $53,000, a decrease in investments of $3,724,000, an increase in accounts receivable of $1,000, and an increase in accounts payable of $146,000.
- Non-major enterprise funds, the restatement was an increase in capital assets (net of accumulated depreciation/amortization) of $2,248,000.
- Non-major internal service funds, the restatement was a decrease in accounts receivable of $293,000, a decrease in capital assets (net of accumulated depreciation/amortization) of $33,377,000, and a decrease in obligation under lease purchase of $1,801,000.

Note 17 - Restatements (cont.)

- Discretely presented component units – college and universities, the restatement was a decrease in net position of $2,320,000 due to the adoption of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.
- Discretely presented component units – non-major funds, the restatement was a decrease in capital assets (net of accumulated depreciation/amortization) of $18,000, a decrease in obligations under lease purchase of $15,000, as well as a decrease in bond issuance costs of $181,000 due to the adoption of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* by the Missouri Development Finance Board.

Purpose for restatements:

The items on the schedule were restated as a result of additional information received this year related to prior year corrections.

On the Government-Wide Statement of Activities, net position for the governmental activities were restated by the amounts shown on the restatement schedule for governmental funds and internal service funds. In addition, capital assets (net of accumulated depreciation/amortization) increased by $18,937,000, the Internal Balance increased by $8,000, obligations under lease purchase decreased by $5,609,000, and due to other funds decreased by $310,000.

On the Government-Wide Statement of Activities, net position for the business-type activities were restated by the amounts shown on the restatement schedule for enterprise funds and by a decrease in the Internal Balance of $8,000.

Note 18 - Fund Deficit

The following funds had a deficit balance:

Enterprise Fund – Petroleum Storage Tank Insurance – At June 30, 2013, this fund had a net position deficit of $42,614,000. The deficit at June 30, 2012 was $36,253,000. The deficit occurred when transport load fees collected were not sufficient to cover the estimated claims liability for clean up of petroleum storage tank leaks. This liability amount is the cumulative result of numerous years of petroleum storage tank leaks. Per Section 319.129, RSMo, this fund will not accept new claim liabilities after December 31, 2020, or upon revocation of federal regulation 40 CFR, whichever occurs first, unless extended by action of the General Assembly. Various alternatives are being considered to pay off the claims liability amount of this fund. Per Section 319.131, RSMo, the liability of the Petroleum Storage Tank Insurance Fund is not the liability of the State. Upon dissolution of this fund, the liability would be liquidated.

Enterprise Fund – Unemployment Compensation Insurance – At June 30, 2013, this fund had a net position deficit of $118,321,000. The deficit at June 30, 2012 was $350,709,000. The reason for this deficit is the high unemployment rate associated with the recent national economic climate in 2009 through 2011. The prolonged high unemployment made it necessary for the State of Missouri, along with other states, to borrow from the federal government to pay unemployment benefits. Since Missouri has carried a loan balance through January 1st for four consecutive years, the federal government has reduced the Federal Unemployment Tax Act (FUTA) tax credit that Missouri employers are allowed to claim on their taxes. Additional tax dollars collected by the federal government as a result of the FUTA tax credit reduction will be used to begin paying down Missouri's loan balance. Missouri projects its current loan balance will be fully repaid in calendar year 2015.

Note 19 - Commitments

Contracts

The Department of Conservation had contracts outstanding of $2,596,000 for construction contracts at June 30, 2013. These contracts are funded through the special revenue funds from specific sales tax, fees, and permits.

The Department of Transportation had long-term contracts of $662,496,000 outstanding at June 30, 2013. These contracts are paid from capital projects funds with approximately 77% federal reimbursement expected.

The Office of Administration, Division of Facilities Management, Design and Construction, had construction contracts outstanding at June 30, 2013 of $8,728,000. Approximately 81% will be paid from the General Fund, 4% from special revenue funds, 5% from capital projects funds, and 10% from enterprise funds.

On March 10, 1988, the State of Missouri entered into a contract with the United States Army Corps of Engineers confirming an assurance agreement of April 8, 1965. The State obtained rights to a portion of the water supply storage from the Clarence Cannon Dam and Mark Twain Lake Project. The State agreed to pay up to $10.8 million plus interest for the investment costs allocated to the water supply storage, the amount of such payments to be determined by the portion of the water storage space put in use by the State for that purpose. The contract provided a ten year interest free period running from 1984 to 1994. In fiscal year 1995, the State began making interest payments. The interest payment amount for fiscal year 2013 was $364,000. This payment was made in arrears as it was part of a fiscal year 2013 expenditure restriction plan. Payment of principal and interest must be completed by March 2038.

As of June 30, 2013, the University of Missouri had outstanding commitments for the usage and ongoing support of the University Health System's information technology environment totaling $123,757,000. The payments are as follows:

2014	$ 17,516,000
2015	18,041,000
2016	18,583,000
2017	19,140,000
2018	19,714,000
thereafter	30,763,000

Truman State University had approximately $5,850,000 in outstanding commitments for various construction contracts at June 30, 2013.

Southeast Missouri State University had outstanding commitments of approximately $39,710,000 related to construction contracts at June 30, 2013.

Missouri State University had approximately $7,800,000 in outstanding commitments for various construction contracts at June 30, 2013.

University of Central Missouri had approximately $11,396,000 in outstanding commitments related to construction contracts at June 30, 2013.

Northwest Missouri State University had approximately $8,043,000 in outstanding commitments related to various construction contracts at June 30, 2013.

Note 20- Risk Management and Insurance

The State is exposed to various risks of loss related to tort, general, motor vehicle, and contractor liability and injuries to employees. The State assumes its own liability for risks except for the purchase of surety bond, aircraft, and boiler coverage. The State's Office of Administration (OA), Risk Management Unit, self-insures its workers' compensation program for all state employees, with the exception of the Missouri Department of Transportation (MoDOT) and the State Highway Patrol. Liability insurance is also provided by OA-Risk Management, pursuant to State statute, through the State's Legal Expense Fund, which is a component of the General Fund in this report. This insurance covers all state employees.

The Workers' Compensation and Legal Expense Fund claims liability is based upon actual claims that have been submitted to OA-Risk Management. IBNR (incurred but not reported) liability is not included since workers' compensation and liability insurance claims are reported timely, and therefore any potential IBNR liability amount would be considered immaterial. The State has not had any insurance settlements exceed the coverage. OA-Risk Management also procures property insurance for 3% of the total value of the State's property with the remainder uninsured. The buildings that are insured are mainly the buildings backed with bonded debt through the Board of Public Buildings.

The Transportation Self-Insurance Plan covers workers' compensation for employees of MoDOT and the State Highway Patrol, and covers vehicle liability and general liability insurance for the employees of MoDOT. The Transportation Self-Insurance Plan is presented as an internal service fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims from data provided by an actuary. Liabilities are reported at their discounted value, assuming an investment yield of 2%.

The Missouri Consolidated Health Care Plan (MCHCP) provides health care insurance to all state employees, except for MoDOT, the State Highway Patrol, and the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known medical claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The MoDOT and MSHP Medical and Life Insurance Plan (MHPML) accounts for the medical coverage provided on a self-insured basis and life insurance benefits, underwritten by a commercial insurance company, for employees of MoDOT and the State Highway Patrol. The Plan is presented as an internal service fund. Estimated claims payable is based on known insurance claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The Conservation Employees' Insurance Plan (CEIP) provides health care and life insurance to employees of the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims.

The Petroleum Storage Tank Insurance Fund (PSTIF) has claims liability for the cost of contamination cleanup for policyholders and other eligible site owners who have submitted notice of a contamination. The PSTIF is presented as a major enterprise fund.

The University of Missouri System provides workers' compensation, liability, and medical insurance for its employees. The University funds this through a combination of self-insurance and commercially purchased insurance. The amount of coverage is based upon analysis of historical information and actuarial estimates. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The claims liability is the present value of the claims, using discounted rates ranging between 1.0% and 2.7% based on future investment yields. The University of Missouri System is included with college and universities as a major component unit of the State.

Note 20 - Risk Management and Insurance (cont.)

Missouri State University is exposed to various risks of loss. These include loss related to torts; business interruption; employee injuries and illnesses; employee health, dental and accidental benefits; natural disasters; damage to and destruction of assets; and errors and omissions. Commercial insurance coverage is purchased for claims arising from such matters other than those related to natural disasters and employee health benefits, general liability, and workers' compensation. Settled claims have not exceeded the commercial coverage in any of the three preceding years. Additional coverage is provided through the State Self-Insurance Program, through the Risk Management Unit of the Office of Administration. The State of Missouri self-insures the workers' compensation benefits for all state employees, including University employees.

Changes in the balances of claims liability (in thousands of dollars) during the current and prior fiscal years are as follows:

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2012	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2013
Governmental Activities					
OA Workers Compensation Fund	Workers Comp.	$ 13,910	$ 26,804	$ (26,692)	$ 14,022
OA Legal Expense Fund	Liability	2,977	5,449	(4,134)	4,292
Transportation Self-Insurance Plan	Workers Comp. and Liability	87,825	14,798	(17,361)	85,262
MCHCP	Health Care	32,384	234,462	(233,402)	33,444
MHPML	Health Care	11,500	102,914	(104,314)	10,100
CEIP	Health Care	2,650	14,591	(14,901)	2,340
Total Governmental Activities		$ 151,246	$ 399,018	$ (400,804)	$ 149,460
Business-Type Activities					
PSTIF	Contamination Cleanup	$ 108,189	$ 13,045	$ (10,840)	$ 110,394
Component Units					
University of Missouri System	Workers Comp. and Liability	$ 69,469	$ 210,872	$ (199,676)	$ 80,665
Missouri State University	Health Care, Workers Comp. and Liability	1,401	15,963	(15,979)	1,385
Total Component Units		$ 70,870	$ 226,835	$ (215,655)	$ 82,050

Note 20- Risk Management and Insurance (cont.)

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2011	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2012
Governmental Activities					
OA Workers Compensation Fund	Workers Comp.	$ 15,227	$ 25,382	$ (26,699)	$ 13,910
OA Legal Expense Fund	Liability	1,061	4,870	(2,954)	2,977
Transportation Self-Insurance Plan	Workers Comp. and Liability	89,984	13,292	(15,451)	87,825
MCHCP	Health Care	36,390	216,918	(220,924)	32,384
MHPML	Health Care	11,400	105,676	(105,576)	11,500
CEIP	Health Care	2,326	17,452	(17,128)	2,650
Total Governmental Activities		$ 156,388	$ 383,590	$ (388,732)	$ 151,246
Business-Type Activities					
PSTIF	Contamination Cleanup	$ 103,647	$ 16,989	$ (12,447)	$ 108,189
Component Units					
University of Missouri System	Workers Comp. and Liability	$ 72,949	$ 213,357	$ (216,837)	$ 69,469
Missouri State University	Health Care, Workers Comp. and Liability	1,100	16,302	(16,001)	1,401
Total Component Units		$ 74,049	$ 229,659	$ (232,838)	$ 70,870

Risk Management Pool:

The State of Missouri participates in the property program of the Midwestern Higher Education Compact (MHEC) as defined in Section 173.700, RSMo. This program was formed to expand coverage, reduce costs, and stabilize property insurance rates over extended time periods at higher education institutions in all member states. The program offers loss limit coverage tailored to individual institutions as well as self-insured retention by institution. The MHEC Risk Management Oversight Committee directs the major operations of the program overseeing the development of program policies, premium allocations, new program memberships, and selection of program administrators and insurance underwriters.

Note 21 - Pollution Remediation and Landfill Closure and Postclosure

The State has an obligation to address current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

The Missouri Department of Natural Resources (DNR) was compelled to assess and oversee the cleanup of contaminated sites subject to federal law under the Resource Conservation and Recovery Act (RCRA), also known as the Superfund Law, administered by the U.S. Environmental Protection Agency (EPA). Under this law, the State is required to pay or ensure payment of 10% of the costs of remediation action and 100% of the costs of operations and maintenance at sites where the party responsible for the contamination is unknown, uncooperative, or insolvent. Similarly, Missouri law 260.371.7 states that the public should bear a portion of the cost to pay for the State's share of Superfund cleanup to be appropriated from general revenue. At the end of fiscal year 2013, the State was participating in the cleanup of seven Superfund sites. Total pollution remediation obligation for these sites totaled approximately $11.1 million. The basis for these costs are State Superfund contracts that list the estimated cost of cleanup, or actual costs if cleanup is complete, less any payments that have been made to the EPA. Estimated costs will change as actual costs become available. The Hazardous Waste Fund is a component of Conservation and Environmental Protection.

The Missouri Department of Transportation (MoDOT) performed work related to fuel leaks during 2013. MoDOT is currently involved in remediation activities in two instances related to building and grounds caused by chemical contamination as well as one fuel leak. There is a total remaining obligation of $30,000 as of June 30, 2013. The potential for pollution remediation exists; however, any future remediation obligations are not yet estimable.

The Office of Administration (OA), Division of Facilities Management, Design and Construction, performed asbestos, mold abatement and remediation, and fuel spill cleanup in five State sites during fiscal year 2013. At the end of the fiscal year, cleanup was not complete in three of the sites, with a total remaining obligation for mold and asbestos debris cleanup of $97,000. These costs were based on contractual pricing estimates and are subject to change if the pollution remediation requires more time or material than was estimated.

The Department of Public Safety, Office of the Adjutant General, has been named as a potentially responsible party in the Pools Prairie Superfund site in Newton County, Missouri. The Resource Conservation and Recovery Act (RCRA), also known as the Superfund Law, is administered by the U.S. Environmental Protection Agency (EPA). This law says the State is required to pay or ensure payment of 10% of the costs of remediation action and 100% of the costs of operations and maintenance at sites where the party responsible for the contamination is unknown, uncooperative, or insolvent. Similarly, Missouri law 260.371.7 states that the public should bear a portion of the cost to pay for the State's share of Superfund cleanup to be appropriated from general revenue. At this time, it cannot be determined the Department of Public Safety's portion of the costs for the cleanup of the Pools Prairie Superfund site.

Note 21 - Pollution Remediation and Landfill Closure and Postclosure (cont.)

Changes in the balances of pollution remediation liability (in thousands of dollars) during the current fiscal year are as follows:

Governmental Activities	Type of Pollution Remediation	Fiscal Year Remediation Liability 6/30/2012	Current Year Assessments and Estimated Changes	Payments	Fiscal Year Remediation Liability 6/30/2013	Due Within One Year
Hazardous Waste Fund	Superfund Sites	$ 11,134	$ ---	$ (49)	$ 11,085	$ 2,351
Missouri Road Fund	Chemical Contamination	51	79	(100)	30	30
General Revenue Fund	Fuel Spill Remediation	4	---	(4)	---	---
Facilities Maintenance Reserve Fund	Mold Remediation and Asbestos Abatement	1	119	(23)	97	97
Total Governmental Activities		$ 11,190	$ 198	$ (176)	$ 11,212	$ 2,478

The State does not own any municipal solid waste landfills (MSWLF), however in the event the owner/operator refuses or is unable to properly maintain the landfill, the owner/operator forfeits the required financial assurance instrument(s) to fund closure and/or post-closure maintenance activities.

Each landfill owner/operator is required to obtain a financial assurance instrument, which is held by the State as security in the case of a default or forfeiture. Financial assurance instruments can include financial guarantee or performance bonds, letters of credit, insurance policies, corporate guarantees, contracts of obligations, trust funds, and escrow accounts. At June 30, 2013, the Missouri Department of Natural Resources, Solid Waste Program tracked the value of the secured financial assurance instruments held by the State to be $320,163,000. This amount is disclosed, but not reported in the financial statements, because the State does not perform the investment function and does not have significant administrative involvement. While the State maintains possession of the financial assurance instruments, it does not meet criteria to be reported in a fiduciary fund.

At June 30, 2013, ten MSWLFs and two waste tire facilities have defaulted. The owners/operators failed to properly close or maintain post-closure care for these facilities; therefore, the State took possession of the forfeited financial assurance instruments to initiate the closure or post-closure activities as required by Section 260.228, RSMo. The State will monitor and pay post-closure care costs of these facilities for the next 30 years in accordance with Missouri Department of Natural Resources Solid Waste Management Law and Regulations. At June 30, 2013, it is expected that $932,000 will be paid over the remaining monitoring periods. This is the amount of the assigned fund balance that has been designated on the General Fund balance sheet for forfeited assets.

Note 22 - Contingencies

Contingent claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported including the effects of specific, incremental claim adjustment expenditures/expenses, salvage, subrogation, and other allocated or unallocated claim adjustment expenditures/expenses. Liabilities of governmental funds are reported as a reconciling item to the Government-Wide Statement of Net Position. Expenditures are recognized as payments are made.

At June 30, 2013, the amount of the contingent liabilities was $15.6 million. Changes in the reported liability since June 30, 2012, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2012-2013	$ 20,232	$ (1,438)	$ (3,159)	$ 15,635
2011-2012	65,880	(37,309)	(8,339)	20,232
2010-2011	54,800	14,480	(3,400)	65,880

Section 287.220.6, RSMo, requires that an actuarial study of the Second Injury Fund be made every three years to determine the solvency of the fund. Figures presented below for current year claims and changes in estimates are based on the 2012 actuarial study. At June 30, 2013, the amount of liabilities for the Second Injury Fund was $1.7 billion. Changes in the reported liability since June 30, 2012, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2012-2013	$ 1,597,447	$ 122,534	$ (42,494)	$ 1,677,487
2011-2012	1,520,089	114,507	(37,149)	1,597,447
2010-2011	1,444,064	113,401	(37,376)	1,520,089

The State receives federal grants which are subject to review and audit by federal grantor agencies. This could result in requests for reimbursements to the grantor agency for expenditures which are disallowed under grant terms. The State believes that such disallowances, if any, would be immaterial in the next fiscal year.

Loan Guarantees:

The State appropriates money to the Agricultural and Small Business Development Authority for the purpose of making loan guarantees. Upon default of a guaranteed loan, the Authority makes the payment for default from State appropriations. The Authority administers the Single-Purpose Animal Facilities Loan Program and the Value Added Loan Guarantee Program, which provides a 50% first-loss guarantee on loans up to $250,000. The total of these two loan programs outstanding at June 30, 2013, for which the Authority has guaranteed payment is, $55,000 and $1,246,000, respectively. During 2013, no loans defaulted.

Note 22 - Contingencies (cont.)

Sales and Use Tax Lawsuits:

Southwestern Bell Telephone Company vs. Director of Revenue (Case No. SC83859 and follow up Case No. SC86441): the Supreme Court ruled that Southwestern Bell Telephone Company was entitled to a refund of use tax paid on machinery and equipment used to create its digital phone service product. Manufacturing was found to include producing taxable services as well as tangible personal property products. A settlement was reached regarding some claims, filed by multiple taxpayers, related to the Southwestern Bell cases. At this time, no current liability remains as of June 30, 2013. Refund claims related to these cases that were filed by other companies that are still pending verification and exclusive of interest (which could be substantial) could negatively affect the State by $14.9 million, of which $8.1 million is related to the General Fund.

The State is also involved in tax litigation not included in the fiscal year 2013 liability amount, where it is reasonably possible that an adverse court decision may incur an estimated loss of $38.9 million.

Tobacco Master Settlement Agreement:

This is not technically a liability of the State, but rather a reduction in liability owed to the State by tobacco manufacturers under the 1998 Master Settlement Agreement (MSA). Missouri typically receives between $130 and $150 million in MSA settlement funds from the tobacco companies each year, but the manufacturers may be entitled to a downward adjustment if the State fails to diligently enforce legislation required by the MSA.

In 2006, tobacco manufacturers initiated binding arbitration alleging that Missouri and 45 other states had failed to diligently enforce their MSA statute in 2003, seeking a total downward adjustment of $1.15 billion nationwide. Twelve states were dismissed after discovery, and 20 more settled while the case was pending. The arbitration panel held hearings on the remaining 15 states and found 6 of them, including Missouri, to be non-diligent. Liability for the downward adjustment is divided among the non-diligent states and will be deducted from those states' next annual tobacco payments in April 2014. Missouri's share is approximately $70 million. The tobacco companies are pursuing similar claims against the 35 non-settling states regarding calendar year 2004 through 2014.

Note 23 - Joint Ventures

The Regional Convention and Sports Complex Authority was created by state law for the purpose of financing, constructing, operating, and maintaining a multipurpose convention and sports facility to be located in the City of St. Louis. The Authority operates under a board of commissioners of whom five are appointed by the Governor of the State, three by the County Executive of St. Louis County, and three by the Mayor of the City of St. Louis. The Authority is granted all rights and powers necessary to plan, finance, construct, equip, and maintain the facility.

Note 23 - Joint Ventures (cont.)

The Authority is considered a joint venture of the State, County, and City because it constitutes a contractual agreement for public benefit in which the State, County, and City retain an ongoing financial responsibility for the Convention and Sports Facility Project Bonds. In August 1991, the Authority issued $258,670,000 of Convention and Sports Facility Project Bonds. The bonds were sponsored in the amount of $132,910,000 by the State (Series A), $65,685,000 by the County (Series B), and $60,075,000 by the City (Series C). In December 1993, the Authority issued $181,885,000 in Convention and Sports Facility Project and Refunding Bonds to advance refund $101,410,000 and $50,275,000 of the outstanding 1991 Series A and Series B bonds, respectively, and for additional construction costs. The bonds were sponsored in the amount of $121,705,000 by the State (Series A) and $60,180,000 by the County (Series B). In February 1997, the Authority issued $61,285,000 in Series C refunding bonds to advance refund $47,155,000 of the outstanding 1991 Series C bonds. In August 2003, the Authority issued $116,030,000 of Convention and Sports Facility Project and Refunding Bonds Series A 2003 to refund $2,845,000 and $113,170,000 of Series A 1991 and Series A 1993 refunding bonds, respectively, and for additional construction costs. In May 2007, the Authority issued $49,585,000 in Series C 2007 refunding bonds to refund $61,285,000 of original principal of the Series C 1997 refunding bonds.

Pursuant to a financing agreement entered into in August 1991, and terminating in August 2021, the Authority leased the facility to the sponsors who subleased the facility back to the Authority. The payments made by the State, County, and City under the financing agreement are sufficient to pay the principal and interest on the bonds. In addition, the sponsors provide annual appropriations intended to keep the facility in good repair and competitive with the top 25% of NFL facilities. See *Note 12* for the specific debt service requirements that make up the State's ongoing financial responsibility for this joint venture.

Summary financial information for the Authority as of and for the fiscal year ended December 31, 2012, is presented below (in thousands of dollars):

Total Assets	$ 247,819
Total Liabilities	$ 144,044
Total Net Position	103,775
Total Liabilities and Net Position	$ 247,819
Total Revenues	$ 24,512
Total Expenses	24,087
Net Increase in Net Position	$ 425

Copies of the Authority's financial statements may be requested from:

St. Louis Regional Convention
and Sports Complex Authority
901 North Broadway
St. Louis, Missouri 63101

Note 24 - Endowments

Donor-restricted endowments for Missouri reside primarily within the higher education institutions, which are reported as a major component unit of the State. For the college and universities, except the University of Missouri, the net appreciation of the endowments available for expenditure is $23,576,000, and of this amount, $22,096,000 is reported as restricted non-expendable net position, $1,303,000 is reported as restricted expendable net position, and $177,000 is reported as unrestricted net position. The University of Missouri reported a net appreciation/amortization of restricted non-expendable net position in the amount of $74,893,000, which consisted of both realized and unrealized gains and losses on investment. For detailed information on the college and universities, review the individual financial statements. The Revised Statutes of Missouri authorize the acceptance of donations at State agencies or public institutions. The governing boards of these institutions and the donor agreements determine whether net appreciation can be spent and the acceptable spending rate as detailed in Section 402.035, RSMo. These policies are entity specific and vary with each institution.

Note 25 - Conduit Debt

As of June 30, 2013, the Missouri Development Finance Board issued $1,508,423,000 in Private Activity Bonds and $2,109,175,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2013, were approximately $549,006,000 and $1,066,896,000, respectively.

The Missouri Development Finance Board and the State have no liability for repayment of these revenue bonds and funding notes aside from reserve fund deposits and, accordingly, these bonds and notes have not been recorded as a liability on the financial statements for the Missouri Development Finance Board. The debtor pays all debt service requirements. Security for the bondholders consists of insurance, letters of credit, annual appropriation pledges, and certain funds held through trustees under the various indentures.

The State Environmental Improvement and Energy Resources Authority, a related organization of the State of Missouri, issues Water Pollution Control and Drinking Water Revenue Bonds on behalf of the Department of Natural Resources. The outstanding balance on these bonds as of June 30, 2013, is $1,006,494,000.

The State of Missouri has no liability for repayment of these revenue bonds beyond the resources provided by related loan programs. The bonds are limited obligations of the State Environmental Improvement and Energy Resources Authority.

Note 26 - Subsequent Events

Bonds:

On August 20, 2013, the Regional Convention and Sports Complex Authority issued $65,195,000 of Convention and Sports Facility Project and Refunding Bonds, Series A 2013 (State of Missouri, Sponsor). The bonds will bear interest from 2.00% to 5.00%, due in semiannual installments beginning February 15, 2014. This refunded the Authority's tax exempt Convention and Sports Facility Project and Refunding Bonds Series A-1 2003 (State of Missouri, Sponsor) outstanding principal in the amount of $64,385,000.

On October 11, 2013, the Board of Public Buildings of the State of Missouri issued $29,370,000 of Special Obligation Refunding Bonds, Series A 2013. The bonds will bear interest from 2.00% to 5.00%, due in semiannual installments beginning April 1, 2014. This refunded Board of Public Buildings Bonds Series A 2003 outstanding principal in the amount of $30,195,000.

Note 26 - Subsequent Events (cont.)

Missouri Department of Transportation:

The Series B 2005 First Lien State Road Bonds were issued as variable rate instruments with weekly rate changes. Since June 30, the rates varied from 0.04% to 0.09%.

Unemployment Compensation:

With the continued high unemployment, Missouri is borrowing from the federal government in order to pay unemployment benefits. Since June 30, 2013, $14,236,000 has been borrowed. Since Missouri has carried a loan balance through January 1 for four consecutive years, the federal government has reduced the Federal Unemployment Tax Act (FUTA) tax credit that Missouri employers are allowed to claim on their taxes. The additional tax dollars collected by the federal government as a result of the FUTA tax credit reduction will be used to pay down Missouri's loan balance.

Medicaid Settlement Agreement:

State of Missouri with other states and the federal government has joined a national settlement against Johnson & Johnson and its subsidiary, Janssen Pharmaceuticals, Inc. The State of Missouri is to recover $26,669,000 for unlawful marketing practices to promote the sales of antipsychotic drugs.

University of Missouri:

On September 27, 2013, the University executed a promissory note as the lender with RREC 2 Investment Fund, LLC as part of the financing for the Geothermal Project being completed by Rolla Renewable Energy Company, LLC, a wholly owned subsidiary of Missouri Renewable Energy Corporation. The University's note receivable was in the amount of $14,380,000 and carried a stated interest rate of 1%.

Required Supplementary Information (RSI) *includes the Budgetary Comparison Schedule for the General Fund and Major Special Revenue Funds, as well as the Budget to Generally Accepted Accounting Principles (GAAP) reconciliation, and the Notes to RSI on Budgetary Reporting.*

STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND, MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	General Fund*				Public Education*				Conservation and Environmental Protection*			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	$ 1,272,522	$ 1,272,522	$ 1,272,522	$ ---	$ 161,410	$ 161,410	$ 161,410	$ ---	$ 431,651	$ 431,651	$ 431,651	$ ---
Resources (Inflows):												
Taxes:												
Sales and Use	1,843,204	1,841,917	1,897,067	55,150	782,741	782,741	763,746	(18,995)	162,239	162,239	184,556	22,317
Individual Income	6,187,163	6,182,844	6,367,971	185,127	4,082	4,082	3,982	(100)	---	---	---	---
Corporate Income	456,154	455,836	469,485	13,649	---	---	---	---	---	---	---	---
County Foreign Insurance	185,803	185,674	191,233	5,559	---	---	---	---	---	---	---	---
Beer	7,816	7,811	8,045	234	---	---	---	---	---	---	---	---
Liquor	20,450	20,435	21,047	612	---	---	---	---	---	---	---	---
Cigarette	---	---	---	---	68,057	68,057	66,406	(1,651)	---	---	---	---
Corporation Franchise	54,599	54,560	56,194	1,634	---	---	---	---	---	---	---	---
Reimbursement/Miscellaneous	1,165,571	1,164,757	1,199,632	34,875	341,781	341,781	333,487	(8,294)	689	689	784	95
Total Taxes	9,920,760	9,913,834	10,210,674	296,840	1,196,661	1,196,661	1,167,621	(29,040)	162,928	162,928	185,340	22,412
Licenses, Fees, and Permits	83,765	83,707	86,068	2,361	2,012	2,012	1,963	(49)	68,222	68,222	77,606	9,384
Sales	1,291	1,290	1,326	36	---	---	---	---	6,820	6,820	7,758	938
Leases and Rentals	12	12	12	---	---	---	---	---	57	57	65	8
Services	146,141	146,130	122,960	(23,170)	---	---	---	---	---	---	---	---
Contributions and Intergovernmental	8,524,379	8,523,393	8,018,538	(504,855)	115,030	115,030	112,239	(2,791)	131,231	131,231	149,282	18,051
Interest	13,303	13,294	13,666	372	1,230	1,230	1,201	(29)	4,936	4,936	5,615	679
Penalties and Unclaimed Property	50,932	50,897	52,420	1,523	6,535	6,535	6,376	(159)	2,790	2,790	3,174	384
Cost Reimbursement/Miscellaneous	1,097,801	1,097,628	1,040,648	(56,980)	109,128	109,128	106,480	(2,648)	63,711	63,711	72,475	8,764
Transfers In	3,100,840	3,329,042	3,127,224	(201,818)	3,546,190	3,544,191	3,504,463	(39,728)	15	16	15	(1)
Total Resources (Inflows)	22,939,224	23,159,227	22,673,536	(485,691)	4,976,786	4,974,787	4,900,343	(74,444)	440,710	440,711	501,330	60,619
Amount Available for Appropriation	24,211,746	24,431,749	23,946,058	(485,691)	5,138,196	5,136,197	5,061,753	(74,444)	872,361	872,362	932,981	60,619
Charges to Appropriations (Outflows):												
Current:												
General Government	2,123,227	2,074,812	1,758,497	316,315	9,493	9,399	8,399	1,000	2,484	2,814	2,489	325
Education	2,117,429	2,111,281	1,906,520	204,761	4,608,099	4,531,395	4,445,473	85,922	---	---	---	---
Natural and Economic Resources	515,147	518,223	313,910	204,313	16,180	16,180	3,201	12,979	639,467	630,299	382,713	247,586
Transportation and Law Enforcement	420,063	537,210	350,914	186,296	325	325	151	174	991	991	750	241
Human Services	11,911,315	12,087,762	11,439,404	648,358	13,639	13,450	12,248	1,202	779	779	612	167
Debt Service	53,186	51,940	44,871	7,069	---	---	---	---	---	---	---	---
Transfers Out	6,594,490	6,778,255	6,616,129	162,126	416,201	415,325	409,423	5,902	49,883	49,003	45,108	3,895
Total Charges to Appropriations	23,734,857	24,159,483	22,430,245	1,729,238	5,063,937	4,986,074	4,878,895	107,179	693,604	683,886	431,672	252,214
Ending Budgetary Fund Balance	$ 476,889	$ 272,266	$ 1,515,813	$ 1,243,547	$ 74,259	$ 150,123	$ 182,858	$ 32,735	$ 178,757	$ 188,476	$ 501,309	$ 312,833
Reconciling Items:												
Reclassifying Cash Equivalents as Investments			(1,167,733)				(138,510)				(382,522)	
Investments at Fair Value			1,175,990				139,776				379,727	
Invested Securities Lending Collateral			82,891				9,832				36,839	
Receivables, Net			1,857,610				135,194				1,088,941	
Due from Other Funds			---				3,204				141	
Due from Component Units			---				---				689	
Inventories			20,554				74				500	
Advance to Component Units			---				---				3,082	
Accounts Payable			(1,043,836)				(1,660)				(3,498)	
Accrued Payroll			(58,173)				(212)				(4,749)	
Due to Other Funds			(15,890)				(19)				(447)	
Securities Lending Obligation			(82,891)				(9,832)				(36,839)	
Deferred Revenue			(739,519)				(31,635)				(17,162)	
Escheat/Unclaimed Property			(98,397)				---				---	
Adjustments:												
Increase to Revenues: Medicaid			1,047,138				---				---	
Increase to Expenditures: Medicaid			(1,047,138)				---				---	
Fund Balance - GAAP Basis			$ 1,446,419				$ 289,070				$ 1,566,011	

*Beginning balance was restated due to a restatement of cash and cash equivalents.

Budgetary Presentation:

A Budgetary Comparison Schedule is presented as Required Supplementary Information for the State's General Fund and Major Special Revenue Funds. Revenues and expenditures are reported on a budgetary basis where "actual" revenues are recognized when cash is received, and "actual" expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2013, has been presented at the bottom of the Budgetary Comparison Schedule.

The budgetary expenditures are included in the current year's Appropriation Activity Report, which demonstrates legal compliance with the current year's budget. This report can be viewed at http://content.oa.mo.gov/accounting/reports/annual-reports/appropriation-activity-reports. The "original budget" expenditures and transfers are for what was originally appropriated for each fund. The "final budget" expenditures and transfers takes into account any increases and decreases to appropriations during the fiscal year less the Governor's amounts reverted (withheld) for each fund less any reappropriations to the next fiscal year.

Once a year, the Office of Administration-Division of Budget and Planning receives budgeted revenues from state agencies for each of their funds as well as a revised revenue estimate in the spring for the State's General Revenue Fund. The revised revenue estimate is used in the "final budget" column for the General Fund and is very comparable to actual revenue resulting in a small negative variance on this Schedule.

In accordance with State statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund; therefore, variances between "budgeted" and "actual" expenditures on the budgetary schedule will always be positive.

For budget purposes, interfund activity is not eliminated. A summary of interfund eliminations at June 30, 2013, is shown below (in thousands):

	Final Budget Transfer		Actual Transfer	
	In	Out	In	Out
GENERAL FUND	$ 2,989,710	$ (2,989,710)	$ 2,852,381	$ (2,852,381)
SPECIAL REVENUE FUNDS				
Public Education	384,241	(384,241)	379,471	(379,471)
Conservation and Environmental Protection	1	(1)	1	(1)
TOTAL	$ 3,373,952	$ (3,373,952)	$ 3,231,853	$ (3,231,853)

Budgetary Control:

Budgetary control is maintained at the departmental level; each Department of the Missouri government formulates a budget to be submitted for approval by the General Assembly prior to the beginning of the fiscal year. These budgets are prepared essentially on the cash basis. The legislature reviews, revises, and legally adopts these budgets. The Governor then has the authority to approve or veto each budget, subject to legislative override.

Budgeted expenditures cannot exceed estimated revenues and other sources of funding, including beginning fund balances. In the event that actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the legislature to address the issue.

Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

Supplementary Information *includes the Budgetary Comparison Schedule and Reconciliation for the Major Capital Projects Fund (Missouri Road Fund), as well as the Combining and Individual Fund Statements and Schedules for the General Fund and all Non-Major Funds.*

STATE OF MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Missouri Road Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	$ 1,121,667	$ 1,121,667	$ 1,121,667	$ ---
Resources (Inflows):				
Taxes:				
Vehicle Sales and Use	113,291	113,291	124,408	11,117
Fuel	107	107	139	32
Total Taxes	113,398	113,398	124,547	11,149
Licenses, Fees, and Permits	86,823	86,823	96,989	10,166
Contributions and Intergovernmental	937,999	1,002,365	890,925	(111,440)
Interest	16,376	16,376	5,961	(10,415)
Cost Reimbursment/Miscellaneous	132,009	132,009	160,757	28,748
Transfers In	529,449	529,449	531,455	2,006
Total Resources (Inflows)	1,816,054	1,880,420	1,810,634	(69,786)
Amount Available for Appropriation	2,937,721	3,002,087	2,932,301	(69,786)
Charges to Appropriations (Outflows):				
Current:				
Transportation and Law Enforcement	801,323	846,933	762,868	84,065
Capital Outlay				
Transportation and Law Enforcement	995,948	1,052,636	948,153	104,483
Debt Service	182,512	182,512	182,512	---
Total Charges to Appropriations	1,979,783	2,082,081	1,893,533	188,548
Ending Budgetary Fund Balance	$ 957,938	$ 920,006	$ 1,038,768	$ 118,762
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(662,832)	
Investments at Fair Value			656,389	
Invested Securities Lending Collateral			53,591	
Receivables, Net			112,928	
Inventories			34,841	
Accounts Payable			(92,360)	
Accrued Payroll			(15,625)	
Due to Other Funds			(320)	
Due to Component Units			(5,394)	
Securities Lending Obligation			(53,591)	
Deferred Revenue			(37,487)	
Advance from Component Units			(4,108)	
Fund Balance - GAAP Basis			$ 1,024,800	

*The **Combining and Individual** Fund Statements and Schedules*

Major Funds

General Fund – Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Non-Major Funds

This includes all non-major governmental and enterprise funds, as well as the non-major component units. It also includes all internal service and fiduciary funds because the "major fund" classification, created under GASB Statement 34, does not apply to these funds.

A budgetary comparison schedule is provided for all non-major governmental funds with the exception of capital projects funds.

STATE OF MISSOURI
BALANCE SHEET
GENERAL FUND
June 30, 2013
(In Thousands of Dollars)

	General Fund		Totals
	General	Federal	June 30, 2013
ASSETS			
Assets:			
Cash and Cash Equivalents	$ 289,490	$ 58,590	$ 348,080
Investments	967,098	208,892	1,175,990
Invested Securities Lending Collateral	67,934	14,957	82,891
Accounts Receivable, Net	1,129,312	689,993	1,819,305
Interest Receivable	2,761	50	2,811
Inventories	19,347	1,207	20,554
Loans Receivable	35,494	---	35,494
Total Assets	$ 2,511,436	$ 973,689	$ 3,485,125
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 488,526	$ 555,310	$ 1,043,836
Accrued Payroll	41,623	16,550	58,173
Due to Other Funds	13,910	1,980	15,890
Securities Lending Obligation	67,934	14,957	82,891
Deferred Revenue	635,361	104,158	739,519
Escheat/Unclaimed Property	98,397	---	98,397
Total Liabilities	1,345,751	692,955	2,038,706
Fund Balances:			
Nonspendable	54,841	1,207	56,048
Restricted	6,351	279,527	285,878
Committed	506,604	---	506,604
Assigned	67,123	---	67,123
Unassigned	530,766	---	530,766
Total Fund Balances	1,165,685	280,734	1,446,419
Total Liabilities and Fund Balances	$ 2,511,436	$ 973,689	$ 3,485,125

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	General Fund			Totals
	General	Federal	Eliminations	June 30, 2013
Revenues:				
Taxes	$ 8,080,658	$ ---	$ ---	$ 8,080,658
Licenses, Fees, and Permits	84,493	1,266	---	85,759
Sales	1,304	12	---	1,316
Leases and Rentals	12	---	---	12
Services	5,034	109,699	---	114,733
Contributions and Intergovernmental	1,429,649	7,986,823	---	9,416,472
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	(9,042)	(2,476)	---	(11,518)
Interest	13,672	224	---	13,896
Penalties and Unclaimed Properties	97,903	11	---	97,914
Cost Reimbursement/Miscellaneous	213,940	172,643	---	386,583
Total Revenues	9,917,623	8,268,202	---	18,185,825
Expenditures:				
Current:				
General Government	577,735	82,589	---	660,324
Education	956,648	961,275	---	1,917,923
Natural and Economic Resources	60,106	285,035	---	345,141
Transportation and Law Enforcement	68,523	302,310	---	370,833
Human Services	4,961,332	6,564,757	---	11,526,089
Debt Service:				
Principal	20,723	827	---	21,550
Interest	24,902	44	---	24,946
Bond Issuance Cost	391	---	---	391
Underwriter's Discount	2,243	---	---	2,243
Total Expenditures	6,672,603	8,196,837	---	14,869,440
Excess Revenues (Expenditures)	3,245,020	71,365	---	3,316,385
Other Financing Sources (Uses):				
Proceeds from Notes/Capital Leases	299	281	---	580
Issuance of Refunding Bonds	278,835	---	---	278,835
Payments to Escrow Agent	(304,967)	---	---	(304,967)
Bond Premium	28,766	---	---	28,766
Proceeds from Sale of Capital Assets	351	94	---	445
Transfers In	261,138	103,967	(322,143)	42,962
Transfers Out	(3,169,662)	(229,487)	322,143	(3,077,006)
Total Other Financing Sources (Uses)	(2,905,240)	(125,145)	---	(3,030,385)
Net Change in Fund Balances	339,780	(53,780)	---	286,000
Fund Balances - Beginning	829,784	334,874	---	1,164,658
Increase (Decrease) in Reserve for Inventory	(3,879)	(360)	---	(4,239)
Fund Balances - Ending	$ 1,165,685	$ 280,734	$ ---	$ 1,446,419

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
June 30, 2013
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2013
ASSETS					
Assets:					
Cash and Cash Equivalents	$ 97,339	$ 27,111	$ 4,659	$ 596	$ 129,705
Investments	261,513	70,632	16,839	43,541	392,525
Invested Securities Lending Collateral	18,661	7,494	1,206	156	27,517
Accounts Receivable, Net	158,705	11,511	---	---	170,216
Interest Receivable	396	137	27	1	561
Due from Other Funds	1,264	---	---	---	1,264
Inventories	3,533	---	---	---	3,533
Loans Receivable	2,456	---	---	---	2,456
Total Assets	$ 543,867	$ 116,885	$ 22,731	$ 44,294	$ 727,777
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 50,052	$ 4	$ 81	$ ---	$ 50,137
Accrued Payroll	10,510	---	137	---	10,647
Due to Other Funds	1,547	---	259	---	1,806
Securities Lending Obligation	18,661	7,494	1,206	156	27,517
Deferred Revenue	7,638	60	17	---	7,715
Total Liabilities	88,408	7,558	1,700	156	97,822
Fund Balances:					
Nonspendable	5,989	---	---	44,038	50,027
Restricted	195,995	109,327	21,031	---	326,353
Committed	25,579	---	---	---	25,579
Assigned	227,896	---	---	100	227,996
Total Fund Balances	455,459	109,327	21,031	44,138	629,955
Total Liabilities and Fund Balances	$ 543,867	$ 116,885	$ 22,731	$ 44,294	$ 727,777

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2013
Revenues:					
Taxes	$ 878,677	$ 114,330	$ ---	$ ---	$ 993,007
Licenses, Fees, and Permits	383,873	---	---	---	383,873
Sales	1,263	---	---	---	1,263
Leases and Rentals	275	---	---	---	275
Services	486	---	---	---	486
Contributions and Intergovernmental	278,112	5,338	1,681	---	285,131
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	(2,944)	(732)	(185)	262	(3,599)
Interest	1,820	515	111	3	2,449
Penalties and Unclaimed Properties	3,295	---	---	2,204	5,499
Cost Reimbursement/Miscellaneous	61,060	---	39	---	61,099
Total Revenues	1,605,917	119,451	1,646	2,469	1,729,483
Expenditures:					
Current:					
General Government	220,960	---	102	---	221,062
Education	2,647	---	---	---	2,647
Natural and Economic Resources	174,240	---	116	---	174,356
Transportation and Law Enforcement	281,015	---	9,788	---	290,803
Human Services	626,061	---	---	4	626,065
Capital Outlay:					
General Government	---	---	8	---	8
Transportation and Law Enforcement	---	---	3,696	---	3,696
Debt Service:					
Principal	999	84,645	---	---	85,644
Interest	110	94,243	---	---	94,353
Bond Issuance Costs	---	522	---	---	522
Underwriter's Discount	---	180	---	---	180
Total Expenditures	1,306,032	179,590	13,710	4	1,499,336
Excess Revenues (Expenditures)	299,885	(60,139)	(12,064)	2,465	230,147
Other Financing Sources (Uses):					
Proceeds from Notes/Capital Leases	16	---	---	---	16
Issuance of Refunding Bonds	---	162,855	---	---	162,855
Payments to Escrow Agent	---	(181,937)	---	---	(181,937)
Bond Premium	---	19,510	---	---	19,510
Proceeds from Sale of Capital Assets	5,562	---	---	---	5,562
Transfers In	231,209	48,622	30,461	---	310,292
Transfers Out	(565,149)	---	(16,000)	---	(581,149)
Total Other Financing Sources (Uses)	(328,362)	49,050	14,461	---	(264,851)
Net Change in Fund Balances	(28,477)	(11,089)	2,397	2,465	(34,704)
Fund Balances - Beginning	484,015	120,416	18,641	41,673	664,745
Increase (Decrease) in Reserve for Inventory	(79)	---	(7)	---	(86)
Fund Balances - Ending	$ 455,459	$ 109,327	$ 21,031	$ 44,138	$ 629,955

*The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds. Therefore, the funds have been combined into specific functional areas.*

Non-Major Special Revenue Funds:

Professional Registration – Provides for the control and regulation of various professions. Each profession has its own fund to account for its operation.

Judicial Protection and Assistance – Provides for protection of public employees by the Attorney General's Office, conviction of criminal offenders by prosecuting attorneys and assistance to victims of criminal offenses.

Agriculture and State Fair – Provides for inspections of products, market development, and awards for competition at the State Fair.

Social Assistance – Provides financial, health, and other services to qualifying individuals.

Transportation and Law Enforcement – Provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

Unemployment and Workers' Compensation – Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

Reimbursements and Other – Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2013
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2013
ASSETS								
Assets:								
Cash and Cash Equivalents	$ 11,885	$ 6,595	$ 2,217	$ 14,173	$ 39,834	$ 15,073	$ 7,562	$ 97,339
Investments	42,947	23,835	9,690	53,540	49,930	54,472	27,099	261,513
Invested Securities Lending Collateral	3,075	1,706	467	3,830	3,744	3,900	1,939	18,661
Accounts Receivable, Net	---	1,512	147	5,231	137,033	12,959	1,823	158,705
Interest Receivable	---	36	11	113	91	90	55	396
Due from Other Funds	---	---	---	---	---	1,264	---	1,264
Inventories	26	69	4	---	3,161	1	272	3,533
Loans Receivable	---	---	360	---	2,096	---	---	2,456
Total Assets	$ 57,933	$ 33,753	$ 12,896	$ 76,887	$ 235,889	$ 87,759	$ 38,750	$ 543,867
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	$ 725	$ 625	$ 155	$ 38,902	$ 3,440	$ 2,752	$ 3,453	$ 50,052
Accrued Payroll	213	379	281	278	6,712	425	2,222	10,510
Due to Other Funds	24	332	43	12	473	499	164	1,547
Securities Lending Obligation	3,075	1,706	467	3,830	3,744	3,900	1,939	18,661
Deferred Revenue	---	30	7	197	6,713	566	125	7,638
Total Liabilities	4,037	3,072	953	43,219	21,082	8,142	7,903	88,408
Fund Balances:								
Nonspendable	26	69	364	---	5,257	1	272	5,989
Restricted	---	26,732	5,572	23,390	41,260	79,616	19,425	195,995
Committed	13,937	187	660	9,465	1,301	---	29	25,579
Assigned	39,933	3,693	5,347	813	166,989	---	11,121	227,896
Total Fund Balances	53,896	30,681	11,943	33,668	214,807	79,617	30,847	455,459
Total Liabilities and Fund Balances	$ 57,933	$ 33,753	$ 12,896	$ 76,887	$ 235,889	$ 87,759	$ 38,750	$ 543,867

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2013
Revenues:								
Taxes	$ 166	$ ---	$ 3,999	$ 108,595	$ 708,487	$ 57,272	$ 158	$ 878,677
Licenses, Fees, and Permits	21,553	35,632	8,740	20,885	192,632	---	104,431	383,873
Sales	---	---	4	787	---	---	472	1,263
Leases and Rentals	---	---	---	275	---	---	---	275
Services	---	457	---	22	---	---	7	486
Contributions and Intergovernmental	2	606	22	277,422	9	---	51	278,112
Investment Earnings:								
Net Increase (Decrease) in the Fair Value of Investments	(477)	(264)	(75)	(654)	(547)	(612)	(315)	(2,944)
Interest	---	138	65	556	464	365	232	1,820
Penalties and Unclaimed Properties	373	755	---	45	455	1,479	188	3,295
Cost Reimbursement/ Miscellaneous	186	1,504	19	34,980	3,078	255	21,038	61,060
Total Revenues	21,803	38,828	12,774	442,913	904,578	58,759	126,262	1,605,917
Expenditures:								
Current:								
General Government	189	12,443	138	1,056	197,112	4,320	5,702	220,960
Education	1,082	---	---	1,565	---	---	---	2,647
Natural and Economic Resources	16,108	505	13,115	4,525	---	60,784	79,203	174,240
Transportation and Law Enforcement	---	24,492	---	4,104	225,854	---	26,565	281,015
Human Services	---	223	---	623,612	---	---	2,226	626,061
Debt Service:								
Principal	---	24	---	---	138	180	657	999
Interest	---	2	1	---	17	32	58	110
Total Expenditures	17,379	37,689	13,254	634,862	423,121	65,316	114,411	1,306,032
Excess Revenues (Expenditures)	4,424	1,139	(480)	(191,949)	481,457	(6,557)	11,851	299,885
Other Financing Sources (Uses):								
Proceeds from Notes/ Capital Leases	---	---	16	---	---	---	---	16
Proceeds from Sale of Capital Assets	1	6	---	---	5,529	1	25	5,562
Transfers In	---	1,345	---	172,755	1,249	30,316	25,544	231,209
Transfers Out	(584)	---	---	(15,684)	(509,405)	(50)	(39,426)	(565,149)
Total Other Financing Sources (Uses)	(583)	1,351	16	157,071	(502,627)	30,267	(13,857)	(328,362)
Net Change in Fund Balances	3,841	2,490	(464)	(34,878)	(21,170)	23,710	(2,006)	(28,477)
Fund Balances - Beginning	50,055	28,142	12,411	68,566	236,232	55,906	32,703	484,015
Increase (Decrease) in Reserve for Inventory	---	49	(4)	(20)	(255)	1	150	(79)
Fund Balances - Ending	$ 53,896	$ 30,681	$ 11,943	$ 33,668	$ 214,807	$ 79,617	$ 30,847	$ 455,459

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Professional Registration			Judicial Protection and Assistance			Agriculture and State Fair*			Social Assistance		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Taxes:												
Sales and Use	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Cigarette	---	---	---	---	---	---	---	---	---	40,116	37,328	(2,788)
Fuel	---	---	---	---	---	---	---	---	---	---	---	---
County Foreign Insurance	---	---	---	---	---	---	---	---	---	---	---	---
Liquor/Wine	---	---	---	---	---	---	3,968	3,999	31	---	---	---
Reimbursement/Miscellaneous	158	166	8	---	---	---	---	---	---	233,942	217,681	(16,261)
Total Taxes	158	166	8	---	---	---	3,968	3,999	31	274,058	255,009	(19,049)
Licenses, Fees, and Permits	20,645	21,568	923	36,762	35,921	(841)	8,732	8,801	69	22,440	20,880	(1,560)
Leases and Rentals	---	---	---	---	---	---	---	---	---	295	275	(20)
Sales	---	---	---	---	---	---	4	4	---	846	787	(59)
Services	---	---	---	467	457	(10)	---	---	---	23	22	(1)
Contributions and Intergovernmental	4	4	---	2,542	2,484	(58)	39	39	---	306,878	285,547	(21,331)
Interest	---	---	---	141	137	(4)	42	42	---	599	557	(42)
Penalties and Unclaimed Property	357	373	16	774	756	(18)	---	---	---	13	12	(1)
Cost Reimbursement/ Miscellaneous	178	186	8	1,567	1,531	(36)	169	170	1	45,761	42,580	(3,181)
Total Revenues	21,342	22,297	955	42,253	41,286	(967)	12,954	13,055	101	650,913	605,669	(45,244)
Expenditures:												
Current:												
General Government	14	3	11	17,884	11,516	6,368	116	56	60	6,263	4,686	1,577
Education	1,117	1,079	38	---	---	---	---	---	---	2,957	1,711	1,246
Natural and Economic Resources	9,817	7,796	2,021	679	506	173	13,096	10,441	2,655	6,950	4,537	2,413
Transportation and Law Enforcement	---	---	---	35,906	25,735	10,171	---	---	---	6,308	3,689	2,619
Human Services	---	---	---	750	225	525	---	---	---	642,239	607,035	35,204
Debt Service	---	---	---	---	---	---	---	---	---	---	---	---
Total Expenditures	10,948	8,878	2,070	55,219	37,982	17,237	13,212	10,497	2,715	664,717	621,658	43,059
Excess Revenues (Expenditures)	10,394	13,419	3,025	(12,966)	3,304	16,270	(258)	2,558	2,816	(13,804)	(15,989)	(2,185)
Other Financing Sources (Uses):												
Transfers In	321	1	(320)	2,216	2,115	(101)	---	---	---	185,054	182,007	(3,047)
Transfers Out	(12,755)	(9,221)	3,534	(2,786)	(2,683)	103	(2,922)	(2,805)	117	(253,036)	(191,012)	62,024
Total Other Financing Sources (Uses)	(12,434)	(9,220)	3,214	(570)	(568)	2	(2,922)	(2,805)	117	(67,982)	(9,005)	58,977
Net Change in Fund Balances	(2,040)	4,199	6,239	(13,536)	2,736	16,272	(3,180)	(247)	2,933	(81,786)	(24,994)	56,792
Fund Balances - Beginning	51,007	51,007	---	27,900	27,900	---	9,039	9,039	---	93,130	93,130	---
Fund Balances - Ending	$ 48,967	$ 55,206	$ 6,239	$ 14,364	$ 30,636	$ 16,272	$ 5,859	$ 8,792	$ 2,933	$ 11,344	$ 68,136	$ 56,792
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(43,321)			(24,041)			(6,575)			(53,963)	
Investments at Fair Value		42,947			23,835			9,690			53,540	
Invested Securities Lending Collateral		3,075			1,706			467			3,830	
Receivables, Net		---			1,548			518			5,344	
Due from Other Funds		---			---			---			---	
Inventories		26			69			4			---	
Accounts Payable		(725)			(625)			(155)			(38,902)	
Accrued Payroll		(213)			(379)			(281)			(278)	
Due to Other Funds		(24)			(332)			(43)			(12)	
Securities Lending Obligation		(3,075)			(1,706)			(467)			(3,830)	
Deferred Revenue		---			(30)			(7)			(197)	
Adjustments:												
Increase to Revenues: Medicaid		---			---			---			161,538	
Increase to Expenditures: Medicaid		---			---			---			(161,538)	
Fund Balance per GAAP		$ 53,896			$ 30,681			$ 11,943			$ 33,668	

*Beginning balance was restated due to a restatement of cash and cash equivalents.

This schedule is continued on pages 116-117.

	Transportation and Law Enforcement			Unemployment and Workers' Compensation			Reimbursements and Other			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Taxes:												
Sales and Use	$ 49,535	$ 47,907	$ (1,628)	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 49,535	$ 47,907	$ (1,628)
Cigarette	---	---	---	---	---	---	---	---	---	40,116	37,328	(2,788)
Fuel	732,867	708,779	(24,088)	---	---	---	---	---	---	732,867	708,779	(24,088)
County Foreign Insurance	---	---	---	---	---	---	102	89	(13)	102	89	(13)
Liquor/Wine	---	---	---	---	---	---	---	---	---	3,968	3,999	31
Reimbursement/Miscellaneous	---	---	---	51,176	56,406	5,230	---	---	---	285,276	274,253	(11,023)
Total Taxes	782,402	756,686	(25,716)	51,176	56,406	5,230	102	89	(13)	1,111,864	1,072,355	(39,509)
Licenses, Fees and Permits	198,393	191,872	(6,521)	---	---	---	118,434	103,950	(14,484)	405,406	382,992	(22,414)
Leases and Rentals	---	---	---	---	---	---	---	---	---	295	275	(20)
Sales	5,650	5,465	(185)	---	---	---	596	523	(73)	7,096	6,779	(317)
Services	---	---	---	---	---	---	8	7	(1)	498	486	(12)
Contributions and Intergovernmental	2,013	1,947	(66)	930	1,025	95	84	74	(10)	312,490	291,120	(21,370)
Interest	481	465	(16)	20,695	22,811	2,116	269	236	(33)	22,227	24,248	2,021
Penalties and Unclaimed Property	474	458	(16)	7,672	8,456	784	213	187	(26)	9,503	10,242	739
Cost Reimbursement/ Miscellaneous	2,370	2,292	(78)	430	473	43	24,016	21,079	(2,937)	74,491	68,311	(6,180)
Total Revenues	991,783	959,185	(32,598)	80,903	89,171	8,268	143,722	126,145	(17,577)	1,943,870	1,856,808	(87,062)
Expenditures:												
Current:												
General Government	217,089	202,629	14,460	10,029	3,718	6,311	9,521	4,420	5,101	260,916	227,028	33,888
Education	---	---	---	---	---	---	---	---	---	4,074	2,790	1,284
Natural and Economic Resources	---	---	---	62,907	54,821	8,086	79,282	66,681	12,601	172,731	144,782	27,949
Transportation and Law Enforcement	277,952	243,868	34,084	---	---	---	25,692	23,649	2,043	345,858	296,941	48,917
Human Services	---	---	---	---	---	---	3,710	2,436	1,274	646,699	609,696	37,003
Debt Service	118	103	15	25,535	22,253	3,282	---	---	---	25,653	22,356	3,297
Total Expenditures	495,159	446,600	48,559	98,471	80,792	17,679	118,205	97,186	21,019	1,455,931	1,303,593	152,338
Excess Revenues (Expenditures)	496,624	512,585	15,961	(17,568)	8,379	25,947	25,517	28,959	3,442	487,939	553,215	65,276
Other Financing Sources (Uses):												
Transfers In	563,520	520,273	(43,247)	1	---	(1)	26,668	26,131	(537)	777,780	730,527	(47,253)
Transfers Out	(1,097,888)	(1,037,384)	60,504	(7,003)	(6,780)	223	(90,806)	(59,483)	31,323	(1,467,196)	(1,309,368)	157,828
Total Other Financing Sources (Uses)	(534,368)	(517,111)	17,257	(7,002)	(6,780)	222	(64,138)	(33,352)	30,786	(689,416)	(578,841)	110,575
Net Change in Fund Balances	(37,744)	(4,526)	33,218	(24,570)	1,599	26,169	(38,621)	(4,393)	34,228	(201,477)	(25,626)	175,851
Fund Balances - Beginning	94,474	94,474	---	68,419	68,419	---	39,267	39,267	---	383,236	383,236	---
Fund Balances - Ending	$ 56,730	$ 89,948	$ 33,218	$ 43,849	$ 70,018	$ 26,169	$ 646	$ 34,874	$ 34,228	$ 181,759	$ 357,610	$ 175,851
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(50,114)			(54,945)			(27,312)			(260,271)	
Investments at Fair Value		49,930			54,472			27,099			261,513	
Invested Securities Lending Collateral		3,744			3,900			1,939			18,661	
Receivables, Net		139,220			13,049			1,878			161,557	
Due from Other Funds		---			1,264			---			1,264	
Inventories		3,161			1			272			3,533	
Accounts Payable		(3,440)			(2,752)			(3,453)			(50,052)	
Accrued Payroll		(6,712)			(425)			(2,222)			(10,510)	
Due to Other Funds		(473)			(499)			(164)			(1,547)	
Securities Lending Obligation		(3,744)			(3,900)			(1,939)			(18,661)	
Deferred Revenue		(6,713)			(566)			(125)			(7,638)	
Adjustments:												
Increase to Revenues: Medicaid		---			---			---			161,538	
Increase to Expenditures: Medicaid		---			---			---			(161,538)	
Fund Balance per GAAP		$ 214,807			$ 79,617			$ 30,847			$ 455,459	

*Beginning balance was restated due to a restatement of cash and cash equivalents.

This schedule is continued from pages 114-115.

*The **Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.*

Debt Service Funds:

Water Pollution Control Bond and Interest – Accounts for moneys used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

Third State Building Bond Interest and Sinking – Accounts for moneys used to pay the principal of the Third State Building Bonds and the interest thereon.

Fourth State Building Bond and Interest – Accounts for moneys used to pay the principal of the Fourth State Building Bonds and the interest thereon.

Stormwater Control Bond and Interest – Accounts for moneys used to pay the principal of the Stormwater Control Bonds and the interest thereon.

Missouri Road Bond – Accounts for moneys used to pay bonds issued by the Highway and Transportation Commission.

STATE OF MISSOURI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2013
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Third State Building Bond Interest and Sinking	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Missouri Road Bond	Totals June 30, 2013
ASSETS						
Assets:						
Cash and Cash Equivalents	$ 12,457	$ 13	$ 3,870	$ 1,520	$ 9,251	$ 27,111
Investments	37,991	40	11,802	4,635	16,164	70,632
Invested Securities Lending Collateral	4,306	5	1,338	525	1,320	7,494
Accounts Receivable, Net	---	---	---	---	11,511	11,511
Interest Receivable	65	1	22	8	41	137
Total Assets	$ 54,819	$ 59	$ 17,032	$ 6,688	$ 38,287	$ 116,885
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ ---	$ ---	$ ---	$ ---	$ 4	$ 4
Securities Lending Obligation	4,306	5	1,338	525	1,320	7,494
Deferred Revenue	41	---	14	5	---	60
Total Liabilities	4,347	5	1,352	530	1,324	7,558
Fund Balances:						
Restricted	50,472	54	15,680	6,158	36,963	109,327
Total Fund Balances	50,472	54	15,680	6,158	36,963	109,327
Total Liabilities and Fund Balances	$ 54,819	$ 59	$ 17,032	$ 6,688	$ 38,287	$ 116,885

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Third State Building Bond Interest and Sinking	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Missouri Road Bond	Totals June 30, 2013
Revenues:						
Taxes	$ ---	$ ---	$ ---	$ ---	$ 114,330	$ 114,330
Contributions and Intergovernmental	---	---	---	---	5,338	5,338
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	(400)	(12)	(154)	(51)	(115)	(732)
Interest	198	11	94	27	185	515
Total Revenues	(202)	(1)	(60)	(24)	119,738	119,451
Expenditures:						
Debt Service:						
Principal	20,615	5,490	8,945	4,580	45,015	84,645
Interest	8,738	128	4,182	1,376	79,819	94,243
Bond Issuance Costs	95	---	153	---	274	522
Underwriter's Discount	69	---	111	---	---	180
Total Expenditures	29,517	5,618	13,391	5,956	125,108	179,590
Excess Revenues (Expenditures)	(29,719)	(5,619)	(13,451)	(5,980)	(5,370)	(60,139)
Other Financing Sources (Uses):						
Issuance of Refunding Bonds	62,460	---	100,395	---	---	162,855
Payments to Escrow Agent	(68,836)	---	(113,101)	---	---	(181,937)
Bond Premium	6,540	---	12,970	---	---	19,510
Transfers In	39,816	---	2,672	6,134	---	48,622
Total Other Financing Sources (Uses)	39,980	---	2,936	6,134	---	49,050
Net Change in Fund Balances	10,261	(5,619)	(10,515)	154	(5,370)	(11,089)
Fund Balances - Beginning	40,211	5,673	26,195	6,004	42,333	120,416
Fund Balances - Ending	$ 50,472	$ 54	$ 15,680	$ 6,158	$ 36,963	$ 109,327

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest			Third State Building Bond Interest and Sinking			Fourth State Building Bond and Interest			Stormwater Control Bond and Interest		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Vehicle Sales and Use Tax	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Interest	966	191	(775)	47	13	(34)	273	95	(178)	57	26	(31)
Reimbursement/ Miscellaneous	---	---	---	3	1	(2)	---	---	---	---	---	---
Total Revenues	966	191	(775)	50	14	(36)	273	95	(178)	57	26	(31)
Expenditures:												
Debt Service	30,075	29,353	722	5,618	5,618	---	14,461	13,127	1,334	5,956	5,956	---
Total Expenditures	30,075	29,353	722	5,618	5,618	---	14,461	13,127	1,334	5,956	5,956	---
Excess Revenues (Expenditures)	(29,109)	(29,162)	(53)	(5,568)	(5,604)	(36)	(14,188)	(13,032)	1,156	(5,899)	(5,930)	(31)
Other Financing Sources (Uses):												
Transfers In	52,639	52,639	---	---	---	---	18,914	17,552	(1,362)	6,167	6,134	(33)
Transfers Out	(12,823)	(12,823)	---	---	---	---	(14,880)	(14,880)	---	---	---	---
Total Other Financing Sources (Uses)	39,816	39,816	---	---	---	---	4,034	2,672	(1,362)	6,167	6,134	(33)
Net Change in Fund Balances	10,707	10,654	(53)	(5,568)	(5,604)	(36)	(10,154)	(10,360)	(206)	268	204	(64)
Fund Balances - Beginning	40,108	40,108	---	5,658	5,658	---	26,129	26,129	---	5,989	5,989	---
Fund Balances - Ending	$ 50,815	$ 50,762	$ (53)	$ 90	$ 54	$ (36)	$ 15,975	$ 15,769	$ (206)	$ 6,257	$ 6,193	$ (64)
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(38,305)			(41)			(11,899)			(4,673)	
Investments at Fair Value		37,991			40			11,802			4,635	
Invested Securities Lending Collateral		4,306			5			1,338			525	
Receivables, Net		65			1			22			8	
Accounts Payable		---			---			---			---	
Securities Lending Obligation		(4,306)			(5)			(1,338)			(525)	
Deferred Revenues		(41)			---			(14)			(5)	
Fund Balances - GAAP Basis		$ 50,472			$ 54			$ 15,680			$ 6,158	

This schedule is continued on page 122.

This schedule is continued from page 121.

	Missouri Road Bond			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Vehicle Sales and Use Tax	$ 103,798	$ 113,443	$ 9,645	$ 103,798	$ 113,443	$ 9,645
Interest	398	271	(127)	1,741	596	(1,145)
Reimbursement/ Miscellaneous	---	---	---	3	1	(2)
Total Revenues	104,196	113,714	9,518	105,542	114,040	8,498
Expenditures:						
Debt Service	121,283	119,788	1,495	177,393	173,842	3,551
Total Expenditures	121,283	119,788	1,495	177,393	173,842	3,551
Excess Revenues (Expenditures)	(17,087)	(6,074)	11,013	(71,851)	(59,802)	12,049
Other Financing Sources (Uses):						
Transfers In	---	---	---	77,720	76,325	(1,395)
Transfers Out	---	---	---	(27,703)	(27,703)	---
Total Other Financing Sources (Uses)	---	---	---	50,017	48,622	(1,395)
Net Change in Fund Balances	(17,087)	(6,074)	11,013	(21,834)	(11,180)	10,654
Fund Balances - Beginning	31,643	31,643	---	109,527	109,527	---
Fund Balances - Ending	$ 14,556	$ 25,569	$ 11,013	$ 87,693	$ 98,347	$ 10,654
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(16,318)			(71,236)	
Investments at Fair Value		16,164			70,632	
Invested Securities Lending Collateral		1,320			7,494	
Receivables, Net		11,552			11,648	
Accounts Payable		(4)			(4)	
Securities Lending Obligation		(1,320)			(7,494)	
Deferred Revenues		---			(60)	
Fund Balances - GAAP Basis		$ 36,963			$ 109,327	

*The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities.*

Non-Major Capital Projects Funds:

Veterans' Homes Capital Improvement – Accounts for fees collected from the sale of bingo cards to be used for the construction or renovation of veterans' homes and cemeteries in the State.

Water Pollution Control – Accounts for bond sale proceeds to be used for the protection of the environment through the control of water pollution.

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2013
(In Thousands of Dollars)

	Veterans' Homes Capital Improvement
ASSETS	
Cash and Cash Equivalents	$ 4,659
Investments	16,839
Invested Securities Lending Collateral	1,206
Interest Receivable	27
Total Assets	$ 22,731
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	$ 81
Accrued Payroll	137
Due to Other Funds	259
Securities Lending Obligation	1,206
Deferred Revenue	17
Total Liabilities	1,700
Fund Balances:	
Restricted	21,031
Total Fund Balances	21,031
Total Liabilities and Fund Balances	$ 22,731

NOTE: The Water Pollution Control is not included in the Non-Major Capital Projects Funds Combining Balance Sheet because there were no assets, liabilities, or fund balance at June 30, 2013.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Veterans' Homes Capital Improvement	Water Pollution Control	Totals June 30, 2013
Revenues:			
Contributions and Intergovernmental	$ 1,681	$ ---	$ 1,681
Investment Earnings:			
Net Increase (Decrease) in the Fair Value of Investments	(185)	---	(185)
Interest	111	---	111
Cost Reimbursement/ Miscellaneous	5	34	39
Total Revenues	1,612	34	1,646
Expenditures:			
Current:			
General Government	102	---	102
Natural and Economic Resources	---	116	116
Transportation and Law Enforcement	9,788	---	9,788
Capital Outlay:			
General Government	8	---	8
Transportation and Law Enforcement	3,696	---	3,696
Total Expenditures	13,594	116	13,710
Excess Revenues (Expenditures)	(11,982)	(82)	(12,064)
Other Financing Sources (Uses):			
Transfers In	30,461	---	30,461
Transfers Out	(16,000)	---	(16,000)
Total Other Financing Sources (Uses)	14,461	---	14,461
Net Change in Fund Balances	2,479	(82)	2,397
Fund Balances - Beginning	18,559	82	18,641
Increase (Decrease) in Reserve for Inventory	(7)	---	(7)
Fund Balances - Ending	$ 21,031	$ ---	$ 21,031

*The **Permanent Funds** account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.*

Permanent Funds:

Arrow Rock State Historic Site Endowment – Accounts for moneys transferred from the State Parks Earnings Fund, as well as other moneys or property received by grant, gift, donation, or bequest specified for the enhancement of the Arrow Rock State Historic Site.

Confederate Memorial Park – Accounts for the income from investments acquired by gifts, donations, and bequests to be used for the maintenance of the Confederate Memorial Park.

State Public School – Accounts for all moneys, bonds, lands, and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

Smith Memorial Endowment Trust – Accounts for moneys bequeathed for the use and benefit of the Crippled Children's Service.

STATE OF MISSOURI
COMBINING BALANCE SHEET
PERMANENT FUNDS
June 30, 2013
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2013
ASSETS					
Cash and Cash Equivalents	$ 6	$ 37	$ 474	$ 79	$ 596
Investments	22	136	43,096	287	43,541
Invested Securities Lending Collateral	2	10	123	21	156
Interest Receivable	---	---	---	1	1
Total Assets	$ 30	$ 183	$ 43,693	$ 388	$ 44,294
LIABILITIES AND FUND BALANCES					
Liabilities:					
Securities Lending Obligation	$ 2	$ 10	$ 123	$ 21	$ 156
Total Liabilities	2	10	123	21	156
Fund Balances:					
Nonspendable	28	75	43,570	365	44,038
Assigned	---	98	---	2	100
Total Fund Balances	28	173	43,570	367	44,138
Total Liabilities and Fund Balances	$ 30	$ 183	$ 43,693	$ 388	$ 44,294

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2013
Revenues:					
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	$ ---	$ (1)	$ 265	$ (2)	$ 262
Interest	---	1	---	2	3
Penalties and Unclaimed Properties	---	---	2,204	---	2,204
Total Revenues	---	---	2,469	---	2,469
Expenditures:					
Human Services	---	---	---	4	4
Total Expenditures	---	---	---	4	4
Excess Revenues (Expenditures)	---	---	2,469	(4)	2,465
Net Change in Fund Balances	---	---	2,469	(4)	2,465
Fund Balances - Beginning	28	173	41,101	371	41,673
Fund Balances - Ending	$ 28	$ 173	$ 43,570	$ 367	$ 44,138

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ALL APPROPRIATED PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment			Confederate Memorial Park			State Public School			Smith Memorial Endowment Trust			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:															
Interest	$ ---	$ ---	$ ---	$ 1	$ 1	$ ---	$ ---	$ ---	$ ---	$ 2	$ 2	$ ---	$ 3	$ 3	$ ---
Penalties and Unclaimed Property	---	---	---	---	---	---	---	19	19	---	---	---	---	19	19
Reimbursement/ Miscellaneous	---	---	---	---	---	---	---	442	442	---	---	---	---	442	442
Total Revenues	---	---	---	1	1	---	---	461	461	2	2	---	3	464	461
Expenditures:															
Current:															
Human Services	---	---	---	---	---	---	---	---	---	35	4	31	35	4	31
Total Expenditures	---	---	---	---	---	---	---	---	---	35	4	31	35	4	31
Excess Revenues (Expenditures)	---	---	---	1	1	---	---	461	461	(33)	(2)	31	(32)	460	492
Other Financing Sources (Uses):															
Transfers In	---	---	---	---	---	---	2,185	2,185	---	---	---	---	2,185	2,185	---
Total Other Financing Sources (Uses)	---	---	---	---	---	---	2,185	2,185	---	---	---	---	2,185	2,185	---
Net Change in Fund Balances	---	---	---	1	1	---	2,185	2,646	461	(33)	(2)	31	2,153	2,645	492
Fund Balances – Beginning	28	28	---	173	173	---	27,239	27,239	---	371	371	---	27,811	27,811	---
Fund Balances – Ending	$ 28	$ 28	$ ---	$ 174	$ 174	$ ---	$ 29,424	$ 29,885	$ 461	$ 338	$ 369	$ 31	$ 29,964	$ 30,456	$ 492
Reconciling Items:															
Reclassifying Cash Equivalents as Investments		(22)			(137)			(29,411)			(290)			(29,860)	
Investments at Fair Value		22			136			43,096			287			43,541	
Invested Securities Lending Collateral		2			10			123			21			156	
Interest Receivable		---			---			---			1			1	
Securities Lending Obligation		(2)			(10)			(123)			(21)			(156)	
Fund Balance – GAAP Basis		$ 28			$ 173			$ 43,570			$ 367			$ 44,138	

This schedule is continued on page 129.

This schedule is continued from page 128.

*The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises.*

Non-Major Enterprise Funds:

State Fair Fees – Accounts for the fairground admission fees used to improve the grounds and to pay the operating costs of the State Fair.

State Parks – Accounts for park concessions and contributions which are used to acquire and operate state parks.

Natural Resources Revolving Services – Accounts for moneys received from the delivery of services and the sale or resale of maps, plats, reports, studies, records, and other publications and documents.

Historic Preservation Revolving – Accounts for gifts, grants, and contributions used to acquire, preserve, restore, maintain, or operate any historical properties.

Missouri Veterans' Homes – Accounts for fees to provide services for persons confined to one of the veterans' homes.

State Agency for Surplus Property – Accounts for the surplus property operation.

Department of Revenue Information – Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2013
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2013
ASSETS								
Current Assets:								
Cash and Cash Equivalents	$ 219	$ 7,067	$ 227	$ 261	$ 854	$ 764	$ 491	$ 9,883
Investments	791	25,536	399	942	3,075	2,762	1,794	35,299
Invested Securities Lending Collateral	57	1,828	29	67	220	198	127	2,526
Accounts Receivable, Net	---	279	---	---	5,574	176	77	6,106
Interest Receivable	1	---	---	2	7	5	---	15
Due from Other Funds	6	---	163	---	---	13	---	182
Inventories	2	812	326	---	498	---	---	1,638
Loans Receivable	---	---	---	591	---	---	---	591
Total Current Assets	1,076	35,522	1,144	1,863	10,228	3,918	2,489	56,240
Non-Current Assets:								
Capital Assets:								
Construction in Progress	---	5,860	---	---	34	---	---	5,894
Land	---	9,136	---	---	---	---	---	9,136
Land Improvements	75	11,618	---	---	317	239	---	12,249
Temporary Easements	---	50	---	---	---	---	---	50
Buildings	3	23,045	---	480	475	1,909	---	25,912
Equipment	434	14,999	18,007	32	8,428	1,271	131	43,302
Software	---	---	---	---	14	---	---	14
Less Accumulated Depreciation/Amortization	(424)	(28,800)	(11,760)	(201)	(3,966)	(1,492)	(131)	(46,774)
Total Non-Current Assets	88	35,908	6,247	311	5,302	1,927	---	49,783
Total Assets	1,164	71,430	7,391	2,174	15,530	5,845	2,489	106,023
LIABILITIES								
Current Liabilities:								
Accounts Payable	12	120	165	2	1,839	193	---	2,331
Accrued Payroll	19	70	1	6	2,147	27	---	2,270
Due to Other Funds	44	8	11	1	26	2	---	92
Securities Lending Obligation	57	1,828	29	67	220	198	127	2,526
Unearned Revenue	---	---	---	---	27	---	---	27
Obligations Under Lease Purchase	---	---	69	---	---	---	---	69
Compensated Absences	1	69	---	12	3,198	36	---	3,316
Total Current Liabilities	133	2,095	275	88	7,457	456	127	10,631
Non-Current Liabilities:								
Obligations Under Lease Purchase	---	---	215	---	---	---	---	215
Compensated Absences	---	27	4	---	---	---	---	31
Total Non-Current Liabilities	---	27	219	---	---	---	---	246
Total Liabilities	133	2,122	494	88	7,457	456	127	10,877
NET POSITION								
Net Investment in Capital Assets	88	35,908	5,963	311	5,302	1,927	---	49,499
Unrestricted	943	33,400	934	1,775	2,771	3,462	2,362	45,647
Total Net Position	$ 1,031	$ 69,308	$ 6,897	$ 2,086	$ 8,073	$ 5,389	$ 2,362	$ 95,146

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2013
Operating Revenues:								
Licenses, Fees, and Permits	$ 3,139	$ 4,872	$ 25	$ ---	$ ---	$ ---	$ ---	$ 8,036
Sales	---	761	106	---	236	3,163	1,345	5,611
Leases and Rentals	1,317	2,133	---	---	---	---	---	3,450
Charges for Services	---	---	---	---	25,865	---	---	25,865
Cost Reimbursement/Miscellaneous	---	1,764	5	---	---	252	---	2,021
Total Operating Revenues	4,456	9,530	136	---	26,101	3,415	1,345	44,983
Operating Expenses:								
Cost of Goods Sold	---	---	718	---	---	1,620	---	2,338
Personal Service	1,081	1,711	11	212	74,718	953	---	78,686
Operations	2,642	3,745	94	69	20,624	451	21	27,646
Specific Programs	46	15	---	92	786	---	---	939
Depreciation/Amortization	19	1,668	1,137	10	785	119	11	3,749
Other Charges	184	63	2	2	102	6	---	359
Total Operating Expenses	3,972	7,202	1,962	385	97,015	3,149	32	113,717
Operating Income (Loss)	484	2,328	(1,826)	(385)	(70,914)	266	1,313	(68,734)
Non-Operating Revenues (Expenses):								
Contributions and Intergovernmental	143	415	2,072	---	54,629	110	---	57,369
Interest Expense	---	---	(3)	---	---	---	---	(3)
Investment Earnings:								
Net Increase (Decrease) in the Fair Value of Investments	(8)	(286)	(5)	(11)	(36)	(30)	(20)	(396)
Interest	4	---	---	11	22	19	---	56
Penalties and Unclaimed Properties	---	1	---	---	---	---	---	1
Disposal of Capital Assets	---	12	184	---	---	134	---	330
Total Non-Operating Revenues (Expenses)	139	142	2,248	---	54,615	233	(20)	57,357
Income (Loss) Before Transfers	623	2,470	422	(385)	(16,299)	499	1,293	(11,377)
Capital Contributions	---	35	---	---	---	---	---	35
Transfers In	---	---	46	97	16,000	4	---	16,147
Transfers Out	---	(46)	---	---	---	(30)	(1,249)	(1,325)
Change in Net Position	623	2,459	468	(288)	(299)	473	44	3,480
Total Net Position - Beginning	408	66,849	6,429	2,374	8,372	4,916	2,318	91,666
Total Net Position - Ending	$ 1,031	$ 69,308	$ 6,897	$ 2,086	$ 8,073	$ 5,389	$ 2,362	$ 95,146

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2013
Cash Flows from Operating Activities:								
Receipts from Internal Customers and Users	$ 99	$ ---	$ ---	$ ---	$ ---	$ 823	$ ---	$ 922
Receipts from External Customers and Users	4,357	8,007	131	---	26,018	2,164	1,349	42,026
Payments to Suppliers	(2,732)	(4,036)	(541)	(69)	(20,444)	(1,903)	(22)	(29,747)
Payments to Employees	(1,083)	(1,696)	(6)	(213)	(74,459)	(949)	---	(78,406)
Payments Made for Program Expense	(46)	(15)	---	(92)	(786)	---	---	(939)
Other Receipts (Payments)	(184)	1,701	3	(2)	(102)	246	---	1,662
Net Cash Provided (Used) by Operating Activities	411	3,961	(413)	(376)	(69,773)	381	1,327	(64,482)
Cash Flows from Non-Capital Financing Activities:								
Loans Made to Outside Entities	---	---	---	14	---	---	---	14
Due to/from Other Funds	2	7	(81)	1	9	(2)	(1)	(65)
Contributions and Intergovernmental	143	415	2,072	---	54,629	110	---	57,369
Transfers to/from Other Funds	---	(46)	46	97	16,000	(26)	(1,249)	14,822
Net Cash Provided (Used) by Non-Capital Financing Activities	145	376	2,037	112	70,638	82	(1,250)	72,140
Cash Flows from Capital and Related Financing Activities:								
Interest Expense	---	---	(3)	---	---	---	---	(3)
Purchases and Construction of Capital Assets	(40)	(3,073)	(1,675)	(1)	(1,396)	(14)	---	(6,199)
Capital Lease Downpayment/Obligations	---	---	(72)	---	---	---	---	(72)
Net Cash Provided (Used) by Capital and Related Financing Activities	(40)	(3,073)	(1,750)	(1)	(1,396)	(14)	---	(6,274)
Cash Flows from Investing Activities:								
Proceeds from Investment Maturities	---	---	166	151	257	---	---	574
Purchase of Investments	(424)	(1,997)	---	---	---	(467)	(132)	(3,020)
Interest and Dividends Received	4	---	---	13	26	21	---	64
Penalties and Other Receipts	---	1	---	---	---	---	---	1
Net Cash Provided (Used) by Investing Activities	(420)	(1,996)	166	164	283	(446)	(132)	(2,381)
Net Increase (Decrease) in Cash	96	(732)	40	(101)	(248)	3	(55)	(997)
Cash and Cash Equivalents, Beginning of Year	123	7,799	187	362	1,102	761	546	10,880
Cash and Cash Equivalents, End of Year	$ 219	$ 7,067	$ 227	$ 261	$ 854	$ 764	$ 491	$ 9,883
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Operating Income (Loss)	$ 484	$ 2,328	$ (1,826)	$ (385)	$ (70,914)	$ 266	$ 1,313	$ (68,734)
Depreciation/Amortization Expense	19	1,668	1,137	10	785	119	11	3,749
Changes in Assets and Liabilities:								
Accounts Receivable	---	241	---	---	(110)	(176)	4	(41)
Inventories	2	(269)	147	---	54	---	---	(66)
Accounts Payable	(92)	(22)	124	---	126	168	(1)	303
Accrued Payroll	(1)	13	1	---	45	2	---	60
Unearned Revenue	---	---	---	---	27	---	---	27
Compensated Absences	(1)	2	4	(1)	214	2	---	220
Net Cash Provided (Used) by Operating Activities	$ 411	$ 3,961	$ (413)	$ (376)	$ (69,773)	$ 381	$ 1,327	$ (64,482)
Non-Cash Financing and Investing Activities:								
Capital Asset Donations	$ ---	$ 35	$ 46	$ ---	$ 46	$ 110	$ ---	$ 237
Increase (Decrease) in Fair Value of Investments	(8)	(286)	(5)	(11)	(36)	(30)	(20)	(396)
Net Non-Cash Financing and Investing Activities	$ (8)	$ (251)	$ 41	$ (11)	$ 10	$ 80	$ (20)	$ (159)

*The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.*

Internal Service Funds:

Natural Resources Cost Allocation – Accounts for the administrative costs of the Department of Natural Resources.

Mental Health Interagency Payments – Accounts for moneys received through interagency agreements for services provided by other agencies.

State Facility Maintenance and Operation – Accounts for moneys collected from tenants for rent to cover the costs of operations in state-owned office buildings and institutions, charges to tenants in leased space to cover costs of real estate administrative services, and charges to capital improvement projects to cover the costs of project management services.

Office of Administration Revolving – Accounts for the following operations: printing services, flight operations, vehicle management, garage services, data processing and telecommunication services, building and grounds, insurance services, postage, and personnel administration.

Working Capital Revolving – Accounts for the operation of correctional industry programs and correctional farm programs.

General Government Revolving – Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate, Treasurer, and Department of Corrections.

Social Services Administrative Trust – Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

Economic Development Administrative – Accounts for moneys collected for goods and services provided to other divisions and used to pay the cost of providing such services.

Professional Registration Fees – Accounts for moneys received from the professional boards for administrative services.

Conservation Employees' Insurance Plan – Accounts for health insurance coverage on a self-insured basis and life insurance coverage by a third party provider for Department of Conservation employees.

Transportation Self-Insurance Plan – Accounts for highway and highway patrol moneys used to pay workers' compensation claims. Moneys are also used to pay auto claims against the Department of Transportation.

Missouri State Employees' Insurance Plan – Accounts for long-term disability and death benefits provided on a self-insured basis for state employees.

Missouri Consolidated Health Care Plan – Accounts for medical care benefits provided on a self-insured basis for active state employees.

MoDOT and MSHP Medical and Life Insurance Plan – Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Transportation employees and members of the Missouri State Highway Patrol.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2013
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2013
ASSETS															
Current Assets:															
Cash and Cash Equivalents	$ 194	$ 278	$ 1,116	$ 1,421	$ 1,773	$ 244	$ 20	$ 38	$ 69	$ 1,116	$ 8,574	$ ---	$ 163,959	$ 10,055	$ 188,857
Investments	704	1,005	4,023	7,805	6,401	883	72	138	251	4,125	1,978	3,258	36,099	400	67,142
Restricted:															
Investments	---	---	---	---	---	---	---	---	---	---	200	---	---	100	300
Invested Securities Lending Collateral	50	72	288	559	458	63	5	10	18	---	---	---	---	---	1,523
Accounts Receivable, Net	---	---	---	5,116	633	42,502	---	---	---	564	403	970	1,736	1,560	53,484
Interest Receivable	---	---	---	5	---	---	---	---	---	9	---	---	---	76	90
Due from Other Funds	---	68	13,551	4,264	846	21	48	20	---	---	---	---	---	---	18,818
Due from Component Units	---	---	---	1	---	---	---	---	---	---	---	---	---	---	1
Inventories	---	16	6,259	1,057	10,239	---	102	3	12	---	---	---	---	---	17,688
Prepaid Items	---	---	---	---	---	---	---	---	---	---	---	---	106	---	106
Total Current Assets	948	1,439	25,237	20,228	20,350	43,713	247	209	350	5,814	11,155	4,228	201,900	12,191	348,009
Non-Current Assets:															
Investments	---	---	---	---	---	---	---	---	---	---	75,446	---	---	39,966	115,412
Restricted Assets:															
Cash and Cash Equivalents	---	---	1,011	815	---	---	---	---	---	---	---	---	---	---	1,826
Capital Assets:															
Construction in Progress	---	---	---	272	---	---	---	---	---	---	---	---	---	---	272
Software in Progress	165	---	---	---	---	---	---	---	---	---	---	---	---	---	165
Land	---	---	7,681	---	40	---	---	---	---	---	---	---	---	---	7,721
Land Improvements	---	---	3,052	---	62	---	---	---	---	---	---	---	---	---	3,114
Buildings	213	---	485,345	2,321	6,281	---	---	---	2,300	---	---	---	---	---	496,460
Equipment	5,407	2,270	14,567	68,108	20,125	2,245	4	265	1,846	---	---	5	2,853	---	117,695
Software	2,089	603	13	2,889	238	9,436	---	3	---	---	---	3	---	---	15,274
Less Accumulated Depreciation/Amortization	(5,953)	(2,385)	(169,403)	(48,984)	(22,748)	(4,981)	(4)	(254)	(2,907)	---	---	(4)	(2,550)	---	(260,173)
Total Non-Current Assets	1,921	488	342,266	25,421	3,998	6,700	---	14	1,239	---	75,446	4	303	39,966	497,766
Total Assets	2,869	1,927	367,503	45,649	24,348	50,413	247	223	1,589	5,814	86,601	4,232	202,203	52,157	845,775
LIABILITIES															
Current Liabilities:															
Bank Overdraft	---	---	---	---	---	---	---	---	---	---	---	8	---	---	8
Accounts Payable	129	1	3,580	1,362	55	843	44	43	61	91	9	3,747	16,707	3,027	29,699
Accrued Payroll	276	---	1,068	371	247	26	---	33	149	---	---	---	---	---	2,170
Due to Other Funds	72	---	51	15	267	63	---	9	31	---	---	---	---	---	508
Securities Lending Obligation	50	72	288	559	458	63	5	10	18	---	---	---	---	---	1,523
Unearned Revenue	---	---	---	251	---	---	---	---	---	7	---	---	21,346	7,408	29,012
Claims Liability	---	---	---	---	---	---	---	---	---	2,340	22,456	---	33,444	10,100	68,340
Obligations under Lease Purchase	---	---	1,594	5,057	---	---	---	---	---	---	---	---	43	---	6,694
Compensated Absences	567	---	2,302	715	560	50	---	54	241	---	---	---	13	---	4,502
Total Current Liabilities	1,094	73	8,883	8,330	1,587	1,045	49	149	500	2,438	22,465	3,755	71,553	20,535	142,456
Non-Current Liabilities:															
Claims Liability	---	---	---	---	---	---	---	---	---	---	62,806	---	---	---	62,806
Obligations under Lease Purchase	---	---	31,632	16,046	---	---	---	---	---	---	---	---	---	---	47,678
Compensated Absences	115	---	217	134	26	---	---	18	58	---	---	---	222	---	790
Total Non-Current Liabilities	115	---	31,849	16,180	26	---	---	18	58	---	62,806	---	222	---	111,274
Total Liabilities	1,209	73	40,732	24,510	1,613	1,045	49	167	558	2,438	85,271	3,755	71,775	20,535	253,730
NET POSITION															
Net Investment in Capital Assets	1,921	488	308,029	3,503	3,998	6,700	---	14	1,239	---	---	4	260	---	326,156
Restricted for:															
Capital	---	---	1,011	---	---	---	---	---	---	---	---	---	---	---	1,011
Other Purposes	---	---	---	815	---	---	---	---	---	---	200	---	---	100	1,115
Unrestricted	(261)	1,366	17,731	16,821	18,737	42,668	198	42	(208)	3,376	1,130	473	130,168	31,522	263,763
Total Net Position	$ 1,660	$ 1,854	$ 326,771	$ 21,139	$ 22,735	$ 49,368	$ 198	$ 56	$ 1,031	$ 3,376	$ 1,330	$ 477	$ 130,428	$ 31,622	$ 592,045

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2013
Operating Revenues:															
Employer Contributions	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 10,626	$ 22,710	$ ---	$ 328,780	$ 72,855	$ 434,971
Employee Contributions	---	---	---	---	---	---	---	---	---	7,102	---	28,962	90,793	37,328	164,185
Medicare Part D Subsidy	---	---	---	---	---	---	---	---	---	480	---	---	---	4,086	4,566
Licenses, Fees, and Permits	---	---	---	---	---	13,799	---	---	---	---	---	---	---	---	13,799
Sales	---	---	10	---	26,819	10	---	---	---	---	---	---	---	---	26,839
Leases and Rentals	---	---	104,917	---	193	10	---	---	---	---	---	---	---	---	105,120
Charges for Services	14,239	8,068	3,632	78,818	---	210	751	1,171	6,309	---	---	---	---	---	113,198
Cost Reimbursement/Miscellaneous	43	243	443	1,142	3	15	14	81	3	864	2,484	480	---	1,528	7,343
Total Operating Revenues	14,282	8,311	109,002	79,960	27,015	14,044	765	1,252	6,312	19,072	25,194	29,442	419,573	115,797	870,021
Operating Expenses:															
Cost of Goods Sold	---	---	---	12,624	12,710	---	---	---	---	---	---	---	---	---	25,334
Personal Service	9,417	---	38,105	12,474	9,019	990	---	1,054	4,833	---	---	576	2,956	---	79,424
Operations	4,738	191	66,035	52,390	7,782	6,340	924	272	1,208	1,596	539	257	14,763	7,204	164,239
Specific Programs	7	8,985	75	---	11	3,752	---	---	2	---	---	---	---	---	12,832
Insurance Benefits	---	---	---	---	---	---	---	---	---	16,034	14,798	28,931	372,475	109,249	541,487
Depreciation/Amortization	489	126	13,083	7,295	859	1,458	---	6	183	---	---	4	184	---	23,687
Other Charges	93	---	97	55	1,319	21	---	8	51	11	---	---	---	---	1,655
Total Operating Expenses	14,744	9,302	117,395	84,838	31,700	12,561	924	1,340	6,277	17,641	15,337	29,768	390,378	116,453	848,658
Operating Income (Loss)	(462)	(991)	(8,393)	(4,878)	(4,685)	1,483	(159)	(88)	35	1,431	9,857	(326)	29,195	(656)	21,363
Non-Operating Revenues (Expenses):															
Contributions and Intergovernmental	---	---	52	---	---	2	---	---	---	---	---	---	---	---	54
Interest Expense	---	---	(1,461)	(226)	---	---	---	---	---	---	---	---	---	---	(1,687)
Investment Earnings:															
Net Increase (Decrease) in the Fair Value of Investments	(8)	(13)	(44)	(95)	(77)	(10)	---	(1)	(2)	(35)	(1,688)	---	---	(683)	(2,656)
Interest	---	---	2	5	---	---	---	---	---	54	1,603	12	437	836	2,949
Penalties and Unclaimed Properties	---	---	10	---	---	---	---	---	---	---	---	---	---	---	10
Disposal of Capital Assets	---	(7)	(8)	(17)	(1)	2	---	---	---	---	---	---	---	---	(31)
Total Non-Operating Revenues (Expenses)	(8)	(20)	(1,449)	(333)	(78)	(6)	---	(1)	(2)	19	(85)	12	437	153	(1,361)
Income (Loss) Before Transfers	(470)	(1,011)	(9,842)	(5,211)	(4,763)	1,477	(159)	(89)	33	1,450	9,772	(314)	29,632	(503)	20,002
Transfers In	---	172	54	---	---	---	---	---	3	---	---	---	---	---	229
Transfers Out	---	---	---	(357)	---	---	---	---	---	---	---	---	---	---	(357)
Change in Net Position	(470)	(839)	(9,788)	(5,568)	(4,763)	1,477	(159)	(89)	36	1,450	9,772	(314)	29,632	(503)	19,874
Total Net Position - Beginning	2,130	2,693	336,559	26,707	27,498	47,891	357	145	995	1,926	(8,442)	791	100,796	32,125	572,171
Total Net Position - Ending	$ 1,660	$ 1,854	$ 326,771	$ 21,139	$ 22,735	$ 49,368	$ 198	$ 56	$ 1,031	$ 3,376	$ 1,330	$ 477	$ 130,428	$ 31,622	$ 592,045

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2013
Cash Flows from Operating Activities:															
Receipts from Internal Customers and Users	$ 14,239	$ 8,068	$ 108,559	$ 76,968	$ 17,344	$ 85	$ 739	$ 866	$ ---	$ 10,616	$ 22,458	$ ---	$ 325,271	$ 72,855	$ 658,068
Receipts from External Customers and Users	---	---	---	828	9,738	10,737	12	305	6,309	7,712	---	28,951	90,793	41,065	196,450
Payments to Suppliers	(4,561)	(193)	(65,815)	(64,786)	(19,994)	(6,164)	(817)	(244)	(1,366)	(1,879)	(541)	(213)	(22,421)	(6,491)	(195,485)
Payments to Employees	(9,241)	---	(37,985)	(12,468)	(8,985)	(983)	---	(1,045)	(4,816)	---	---	(576)	(2,962)	---	(79,061)
Payments Made for Program Expense	(7)	(8,985)	(75)	---	(11)	(3,753)	---	---	(2)	(16,344)	(17,361)	(28,931)	(371,415)	(110,649)	(557,533)
Other Receipts (Payments)	(50)	243	346	1,087	(1,316)	(6)	14	73	(48)	853	2,484	480	---	1,528	5,688
Net Cash Provided (Used) by Operating Activities	380	(867)	5,030	1,629	(3,224)	(84)	(52)	(45)	77	958	7,040	(289)	19,266	(1,692)	28,127
Cash Flows from Non-Capital Financing Activities:															
Due to/from Other Funds	51	33	97	1,730	(146)	(40)	(16)	(14)	20	---	---	---	---	---	1,715
Contibutions and Intergovernmental	---	---	52	---	---	2	---	---	---	---	---	---	---	---	54
Transfers to/from Other Funds	---	172	54	(357)	---	---	---	---	3	---	---	---	---	---	(128)
Net Cash Provided (Used) by Non-Capital Financing Activities	51	205	203	1,373	(146)	(38)	(16)	(14)	23	---	---	---	---	---	1,641
Cash Flows from Capital and Related Financing Activities:															
Interest Expense	---	---	(1,461)	(226)	---	---	---	---	---	---	---	---	---	---	(1,687)
Purchase and Construction of Capital Assets	(443)	---	(1,854)	(2,565)	---	(3)	---	(2)	(55)	---	---	(3)	(142)	---	(5,067)
Capital Lease Downpayment/Obligations	---	---	(1,260)	(3,564)	---	---	---	---	---	---	---	---	(42)	---	(4,866)
Disposal of Capital Assets	---	---	---	---	917	---	---	---	---	---	---	---	---	---	917
Net Cash Provided (Used) by Capital and Related Financing Activities	(443)	---	(4,575)	(6,355)	917	(3)	---	(2)	(55)	---	---	(3)	(184)	---	(10,703)
Cash Flows from Investing Activities:															
Proceeds from Sales and Investment Maturities	---	457	---	2,253	1,586	58	48	40	---	---	34,301	892,299	---	15,638	946,680
Purchase of Investments	(20)	---	(665)	---	---	---	---	---	(47)	(373)	(44,407)	(892,025)	(1,182)	(14,308)	(953,027)
Interest and Dividends Received	---	---	2	---	---	---	---	---	---	53	1,602	12	437	889	2,995
Investment Fees	---	---	---	---	---	---	---	---	---	---	---	---	---	(48)	(48)
Penalties and Other Receipts	---	---	10	---	---	---	---	---	---	---	---	---	---	---	10
Net Cash Provided (Used) by Investing Activities	(20)	457	(653)	2,253	1,586	58	48	40	(47)	(320)	(8,504)	286	(745)	2,171	(3,390)
Net Increase (Decrease) in Cash	(32)	(205)	5	(1,100)	(867)	(67)	(20)	(21)	(2)	638	(1,464)	(6)	18,337	479	15,675
Cash and Cash Equivalents, Beginning of Year	226	483	2,122	3,336	2,640	311	40	59	71	478	10,038	(2)	145,622	9,576	175,000
Cash and Cash Equivalents, End of Year	$ 194	$ 278	$ 2,127	$ 2,236	$ 1,773	$ 244	$ 20	$ 38	$ 69	$ 1,116	$ 8,574	$ (8)	$ 163,959	$ 10,055	$ 190,675
Reconciliation of Operating Income (Loss) of Net Cash Provided (Used) by Operating Activities:															
Operating Income (Loss)	$ (462)	$ (991)	$ (8,393)	$ (4,878)	$ (4,685)	$ 1,483	$ (159)	$ (88)	$ 35	$ 1,431	$ 9,857	$ (326)	$ 29,195	$ (656)	$ 21,363
Depreciation/Amortization Expense	489	126	13,083	7,295	859	1,458	---	6	183	---	---	4	184	---	23,687
Changes in Assets and Liabilities:															
Accounts Receivable	---	---	---	(997)	70	(3,207)	---	---	---	130	(252)	(11)	1,390	37	(2,840)
Inventories	147	---	591	324	518	---	66	(1)	2	---	---	---	---	---	1,647
Prepaid Items	---	---	---	---	---	---	---	---	---	---	---	---	16	---	16
Accounts Payable	30	(2)	(371)	(96)	(20)	175	41	29	(160)	(283)	(2)	44	(7,674)	713	(7,576)
Accrued Payroll	50	---	30	10	4	---	---	2	5	---	---	---	---	---	101
Unearned Revenue	---	---	---	(25)	---	---	---	---	---	(10)	---	---	(4,899)	(386)	(5,320)
Claims Liability	---	---	---	---	---	---	---	---	---	(310)	(2,563)	---	1,060	(1,400)	(3,213)
Compensated Absences	126	---	90	(4)	30	7	---	7	12	---	---	---	(6)	---	262
Net Cash Provided (Used) by Operating Activities	$ 380	$ (867)	$ 5,030	$ 1,629	$ (3,224)	$ (84)	$ (52)	$ (45)	$ 77	$ 958	$ 7,040	$ (289)	$ 19,266	$ (1,692)	$ 28,127
Non-Cash Financing and Investing Activities:															
Capital Lease Issuance	$ ---	$ ---	$ 1,365	$ 10,196	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 11,561
Capital Asset Donations	---	---	70	15	---	---	---	---	3	---	---	---	---	---	88
Increase (Decrease) in Fair Value of Investments	(8)	(13)	(44)	(95)	(77)	(10)	---	(1)	(2)	(35)	(1,688)	---	---	(683)	(2,656)
Net Non-Cash Financing and Investing Activities	$ (8)	$ (13)	$ 1,391	$ 10,116	$ (77)	$ (10)	$ ---	$ (1)	$ 1	$ (35)	$ (1,688)	$ ---	$ ---	$ (683)	$ 8,993

*The **Fiduciary Funds** account for assets held by the State in a trustee or agent capacity.*

Pension (and Other Employee Benefit) Trust Funds:

Missouri State Employees' Retirement System:

Missouri State Employees' Plan – Accounts for retirement, survivor, and disability benefits paid to employees of the State who are not covered under another state-sponsored retirement plan.

Judicial Plan – Accounts for retirement, survivor, and disability benefits to judges in the State of Missouri.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System – Accounts for retirement, survivor, and disability benefits paid to Department of Transportation employees and members of the Missouri State Highway Patrol.

Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust – Accounts for health and welfare benefits paid for the exclusive benefit of current and future retired employees of the State who are not covered under another state-sponsored other post-employment benefit plan.

Missouri State Public Employees' Deferred Compensation Incentive (IRC 401a) Plan – Accounts for retirement benefits paid to employees of the State.

Missouri State Public Employees' Deferred Compensation (IRC 457) Plan – Accounts for deposits from State employees, which are invested for the benefit of the employees until properly authorized to distribute.

Private-Purpose Trust Funds:

Alternative Care Trust – Accounts for all moneys received and spent by the Division of Family Services on behalf of children in their custody.

Johnson-Travis Memorial Trust – Accounts for all moneys, stocks, and securities given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop, and maintain the gardens.

Unclaimed Property – Accounts for moneys unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends, and interest of banks unable to locate the owners.

Agency Funds:

Social Security Contributions – Accounts for the receipt of contributions from various state funds for the State's share of social security contributions, which are due to the Federal Social Security Administration.

Missouri State Employees' Voluntary Life Insurance – Accounts for moneys withheld from employees' compensation for the contracts entered into with life insurance companies.

Program – Accounts for the receipt of various taxes, refundable deposits, and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

Institution – Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
June 30, 2013
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2013
ASSETS							
Cash and Cash Equivalents	$ 1,186,197	$ 16,351	$ 94	$ 2,712	$ 378	$ 1,115	$ 1,206,847
Investments at Fair Value	6,828,213	94,122	1,651,622	84,504	428,390	1,214,898	10,301,749
Invested Securities Lending Collateral	455,488	6,279	92,328	---	---	---	554,095
Receivables:							
Accounts Receivable	44,784	1,632	35,470	15,333	185	556	97,960
Interest Receivable	---	---	3,588	---	---	---	3,588
Prepaid Expenses	104	1	70	---	---	---	175
Capital Assets:							
Land	264	4	84	---	---	---	352
Buildings	4,005	55	582	---	---	---	4,642
Equipment	1,677	23	191	---	---	---	1,891
Software	258	3	3,288	---	---	---	3,549
Accumulated Depreciation/ Amortization	(2,697)	(37)	(1,517)	---	---	---	(4,251)
Total Capital Assets, Net	3,507	48	2,628	---	---	---	6,183
Total Assets	8,518,293	118,433	1,785,800	102,549	428,953	1,216,569	12,170,597
LIABILITIES							
Accounts Payable	75,253	1,037	5,852	250	27	76	82,495
Securities Lending Obligation	448,206	6,178	94,215	---	---	---	548,599
Unearned Revenue	---	---	---	4,202	---	---	4,202
Claims Liability	---	---	---	8,569	---	---	8,569
Compensated Absences	996	14	---	---	---	---	1,010
Total Liabilities	524,455	7,229	100,067	13,021	27	76	644,875
Net Position Held in Trust for Benefits	$ 7,993,838	$ 111,204	$ 1,685,733	$ 89,528	$ 428,926	$ 1,216,493	$ 11,525,722

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2013
Additions:							
Contributions:							
Employer	$ 274,655	$ 28,331	$ 170,836	$ 61,089	$ ---	$ ---	$ 534,911
Plan Member	13,174	212	503	51,218	---	49,708	114,815
Other	2,447	---	2,364	---	41,988	1,499	48,298
Total Contributions	290,276	28,543	173,703	112,307	41,988	51,207	698,024
Investment Earnings:							
Increase (Decrease) in Appreciation of Assets	744,746	10,266	186,554	---	16,722	75,645	1,033,933
Interest and Dividends	170,645	2,352	32,892	6,883	7,140	19,184	239,096
Securities Lending Income	1,237	17	222	---	---	---	1,476
Total Investment Earnings	916,628	12,635	219,668	6,883	23,862	94,829	1,274,505
Less Investment Expenses:							
Investment Activity Expense	(138,390)	(1,908)	(21,482)	---	---	---	(161,780)
Securities Lending Expense	(230)	(3)	(47)	---	---	---	(280)
Total Investment Expense	(138,620)	(1,911)	(21,529)	---	---	---	(162,060)
Net Investment Earnings	778,008	10,724	198,139	6,883	23,862	94,829	1,112,445
Cost Reimbursement/ Miscellaneous	489	7	2	---	403	1,198	2,099
Total Additions	1,068,773	39,274	371,844	119,190	66,253	147,234	1,812,568
Deductions:							
Benefits	646,708	27,803	224,518	106,638	33,686	---	1,039,353
Administrative Expenses	7,335	101	2,624	6,623	384	1,676	18,743
Program Distributions	622	---	---	---	---	71,462	72,084
Service Transfer Payments	1,912	---	---	---	---	---	1,912
Depreciation/Amortization	241	3	373	---	---	---	617
Total Deductions	656,818	27,907	227,515	113,261	34,070	73,138	1,132,709
Change in Net Position	411,955	11,367	144,329	5,929	32,183	74,096	679,859
Net Position Held in Trust for Benefits Beginning of Year	7,581,883	99,837	1,541,404	83,599	396,743	1,142,397	10,845,863
End of Year	$ 7,993,838	$ 111,204	$ 1,685,733	$ 89,528	$ 428,926	$ 1,216,493	$ 11,525,722

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2013
(In Thousands of Dollars)

	Alternative Care Trust	Johnson-Travis Memorial Trust	Unclaimed Property	Totals June 30, 2013
ASSETS				
Cash and Cash Equivalents	$ 1,236	$ 173	$ 7,526	$ 8,935
Investments at Fair Value	4,468	696	27,188	32,352
Invested Securities Lending Collateral	320	45	1,947	2,312
Interest Receivable	10	1	---	11
Inventories	---	---	2	2
Capital Assets:				
Equipment	---	---	55	55
Software	---	---	8	8
Less: Accumulated Depreciation/Amortization	---	---	(52)	(52)
Total Capital Assets, Net	---	---	11	11
Total Assets	6,034	915	36,674	43,623
LIABILITIES				
Accounts Payable	870	---	12	882
Accrued Payroll	---	---	22	22
Securities Lending Obligation	320	45	1,947	2,312
Compensated Absences	---	---	39	39
Total Liabilities	1,190	45	2,020	3,255
NET POSITION				
Net Position Held in Trust for Other Purposes	$ 4,844	$ 870	$ 34,654	$ 40,368

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Alternative Care Trust	Johnson-Travis Memorial Trust	Unclaimed Property	Totals June 30, 2013
Additions:				
Increase (Decrease) in Appreciation of Assets	$ (50)	$ 8	$ (286)	$ (328)
Interest	36	7	---	43
Total Investment Earnings	(14)	15	(286)	(285)
Unclaimed Property	---	---	49,913	49,913
Cost Reimbursement/Miscellaneous	13,545	---	---	13,545
Total Additions	13,531	15	49,627	63,173
Deductions:				
Administrative Expenses	---	---	1,781	1,781
Program Distributions	13,188	---	38,155	51,343
Depreciation/Amortization	---	---	6	6
Total Deductions	13,188	---	39,942	53,130
Change in Net Position	343	15	9,685	10,043
Net Position - Beginning	4,501	855	24,969	30,325
Net Position - Ending	$ 4,844	$ 870	$ 34,654	$ 40,368

STATE OF MISSOURI
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 2013
(In Thousands of Dollars)

	Social Security Contributions	Missouri State Employees' Voluntary Life Insurance	Program	Institution	Totals June 30, 2013
ASSETS					
Cash and Cash Equivalents	$ 22	$ 32	$ 24,713	$ 24,270	$ 49,037
Investments at Fair Value	79	117	499,696	16	499,908
Invested Securities Lending Collateral	6	8	339	---	353
Receivables:					
Accounts Receivable	5,955	---	342,102	---	348,057
Interest Receivable	---	---	27	---	27
Total Assets	$ 6,062	$ 157	$ 866,877	$ 24,286	$ 897,382
LIABILITIES					
Accounts Payable	$ ---	$ ---	$ 31	$ ---	$ 31
Due to Other Entities	6,056	149	858,604	---	864,809
Due to Individuals	---	---	7,903	24,286	32,189
Securities Lending Obligation	6	8	339	---	353
Total Liabilities	$ 6,062	$ 157	$ 866,877	$ 24,286	$ 897,382

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
SOCIAL SECURITY CONTRIBUTIONS				
ASSETS				
Cash and Cash Equivalents	$ 25	$ 145,130	$ 145,133	$ 22
Investments at Fair Value	76	79	76	79
Invested Securities Lending Collateral	2	6	2	6
Accounts Receivable	5,742	5,955	5,742	5,955
Total Assets	$ 5,845	$ 151,170	$ 150,953	$ 6,062
LIABILITIES				
Due to Other Entities	$ 5,843	$ 440,533	$ 440,320	$ 6,056
Securities Lending Obligation	2	6	2	6
Total Liabilities	$ 5,845	$ 440,539	$ 440,322	$ 6,062
MISSOURI STATE EMPLOYEES' VOLUNTARY LIFE INSURANCE				
ASSETS				
Cash and Cash Equivalents	$ 39	$ 3,807	$ 3,814	$ 32
Investments at Fair Value	119	118	120	117
Invested Securities Lending Collateral	4	8	4	8
Total Assets	$ 162	$ 3,933	$ 3,938	$ 157
LIABILITIES				
Due to Other Entities	$ 158	$ 3,845	$ 3,854	$ 149
Securities Lending Obligation	4	8	4	8
Total Liabilities	$ 162	$ 3,853	$ 3,858	$ 157
PROGRAM				
ASSETS				
Cash and Cash Equivalents	$ 29,068	$ 6,493,137	$ 6,497,492	$ 24,713
Investments at Fair Value	483,657	664,724	648,685	499,696
Invested Securities Lending Collateral	93	339	93	339
Receivables:				
Accounts Receivable	319,919	33,281	11,098	342,102
Interest Receivable	43	254	270	27
Total Assets	$ 832,780	$ 7,191,735	$ 7,157,638	$ 866,877
LIABILITIES				
Accounts Payable	$ 31	$ 297	$ 297	$ 31
Due to Other Entities	826,847	7,174,265	7,142,508	858,604
Due to Individuals	5,809	18,932	16,838	7,903
Securities Lending Obligation	93	339	93	339
Total Liabilities	$ 832,780	$ 7,193,833	$ 7,159,736	$ 866,877
INSTITUTION				
ASSETS				
Cash and Cash Equivalents	$ 29,388	$ 150,498	$ 155,616	$ 24,270
Investments at Fair Value	15	1	---	16
Total Assets	$ 29,403	$ 150,499	$ 155,616	$ 24,286
LIABILITIES				
Due to Individuals	$ 29,403	$ 150,499	$ 155,616	$ 24,286
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 58,520	$ 6,792,572	$ 6,802,055	$ 49,037
Investments at Fair Value	483,867	664,922	648,881	499,908
Invested Securities Lending Collateral	99	353	99	353
Receivables:				
Accounts Receivable	325,661	39,236	16,840	348,057
Interest Receivable	43	254	270	27
Total Assets	$ 868,190	$ 7,497,337	$ 7,468,145	$ 897,382
LIABILITIES				
Accounts Payable	$ 31	$ 297	$ 297	$ 31
Due to Other Entities	832,848	7,618,643	7,586,682	864,809
Due to Individuals	35,212	169,431	172,454	32,189
Securities Lending Obligation	99	353	99	353
Total Liabilities	$ 868,190	$ 7,788,724	$ 7,759,532	$ 897,382

*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Non-Major Component Units:

Missouri Development Finance Board – Accounts for moneys from bond proceeds, gifts, and grants to make loans for industrial development.

Missouri Agricultural and Small Business Development Authority – Accounts for moneys from bond proceeds, gifts, and grants to make loans for property acquisitions/renovations and pollution control facilities.

Missouri Transportation Finance Corporation – Accounts for moneys from federal, state or local sources, and from bond proceeds to be used for projects approved by the Missouri Highways and Transportation Commission.

Missouri Wine and Grape Board – Accounts for moneys derived from the privilege of selling wine to be used for marketing development in developing programs for growing, selling, and marketing of grape products grown in Missouri.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS
June 30, 2013
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2013
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 19,127	$ 1,583	$ 12,287	$ 198	$ 33,195
Investments	---	5,295	5,381	715	11,391
Invested Securities Lending Collateral	---	1	---	51	52
Interest Receivable	40	1	1,228	2	1,271
Restricted Assets:					
Cash and Cash Equivalents	---	421	---	---	421
Investments	---	679	---	---	679
Loans Receivable	---	---	13,284	---	13,284
Due From Primary Government	---	---	5,394	---	5,394
Prepaid Items	1,215	---	---	---	1,215
Loans Receivable	357	474	---	---	831
Total Current Assets	20,739	8,454	37,574	966	67,733
Non-Current Assets:					
Investments	---	---	4,980	---	4,980
Loans Receivable	40,668	1,950	---	---	42,618
Interest Rate Cap Agreement	69	---	---	---	69
Restricted Assets:					
Cash and Cash Equivalents	17,002	---	---	---	17,002
Investments	500	---	---	---	500
Loans Receivables	---	---	52,445	---	52,445
Advance to Primary Government	---	---	4,108	---	4,108
Capital Assets:					
Land	7,220	---	---	---	7,220
Buildings	75,687	---	---	---	75,687
Equipment	324	---	---	11	335
Software	23	---	---	---	23
Less Accumulated Depreciation/ Amortization	(11,447)	---	---	(7)	(11,454)
Total Non-Current Assets	130,046	1,950	61,533	4	193,533
Total Assets	150,785	10,404	99,107	970	261,266
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated Decrease in Fair Value of Hedging Derivatives	318	---	---	---	318
Total Deferred Ouflows of Resources	318	---	---	---	318
LIABILITIES					
Current Liabilities:					
Accounts Payable	246	21	---	11	278
Accrued Payroll	---	---	---	10	10
Due to Primary Government	---	689	---	1	690
Bonds and Notes Payable	180	---	---	---	180
Interest Payable	35	32	---	---	67
Securities Lending Obligation	---	1	---	51	52
Unearned Revenue	---	---	3	---	3
Compensated Absences	35	---	---	20	55
Total Current Liabilities	496	743	3	93	1,335
Non-Current Liabilities:					
Advance from Primary Government	---	3,082	---	---	3,082
Deposits and Reserves	11,356	49	---	---	11,405
Bonds and Notes Payable	53,825	---	---	---	53,825
Unearned Revenue	1,822	---	---	---	1,822
Compensated Absenses	30	---	---	9	39
Total Non-Current Liabilities	67,033	3,131	---	9	70,173
Total Liabilities	67,529	3,874	3	102	71,508
NET POSITION					
Net Investment in Capital Assets	17,802	---	---	4	17,806
Restricted for:					
Other Purposes	8,069	1,051	75,550	---	84,670
Unrestricted	57,703	5,479	23,554	864	87,600
Total Net Position	$ 83,574	$ 6,530	$ 99,104	$ 868	$ 190,076

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2013
Operating Revenues:					
Licenses, Fees, and Permits	$ 4,783	$ 322	$ 2	$ ---	$ 5,107
Interest on Receivables	570	---	2,632	---	3,202
Leases and Rentals	4,605	---	---	---	4,605
Cost Reimbursement/Miscellaneous	602	---	---	16	618
Total Operating Revenues	10,560	322	2,634	16	13,532
Operating Expenses:					
Personal Service	806	367	27	369	1,569
Operations	1,823	78	10	1,302	3,213
Specific Programs	603	1,945	---	21	2,569
Depreciation/Amortization	1,942	---	---	2	1,944
Bad Debt Expense	31	---	---	---	31
Other Charges	59	2	2	13	76
Total Operating Expenses	5,264	2,392	39	1,707	9,402
Operating Income (Loss)	5,296	(2,070)	2,595	(1,691)	4,130
Non-Operating Revenues (Expenses):					
Contributions and Intergovernmental	(5,014)	2,249	---	1,600	(1,165)
Investment Earnings:					
Increase (Decrease) in Fair Value of Investments	---	19	(254)	(8)	(243)
Interest	28	156	155	8	347
Interest Expense	(751)	(72)	---	---	(823)
Miscellaneous Expenses	---	---	(9)	---	(9)
Total Non-Operating Revenues (Expenses)	(5,737)	2,352	(108)	1,600	(1,893)
Change in Net Position	(441)	282	2,487	(91)	2,237
Total Net Position - Beginning	84,015	6,248	96,617	959	187,839
Total Net Position - Ending	$ 83,574	$ 6,530	$ 99,104	$ 868	$ 190,076

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2013
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2013
Cash Flows from Operating Activities:					
Receipts from Customers and Users	$ 9,580	$ 322	$ 2,839	$ ---	$ 12,741
Receipt of Loan Payment	---	1,213	2,142	---	3,355
Payments to Vendors and Suppliers	(7,645)	(155)	(11)	(1,295)	(9,106)
Payments to Employees	(736)	(367)	(27)	(362)	(1,492)
Payments Made for Program Expense	---	(1,945)	---	(21)	(1,966)
Net Payments/Receipts for Tax Credit Projects	8,549	---	---	---	8,549
Other Receipts (Payments)	---	(2)	(2)	3	(1)
Net Cash Provided (Used) by Operating Activities	9,748	(934)	4,941	(1,675)	12,080
Cash Flows from Non-Capital Financing Activities:					
Loans Receivable Principal Receipts	544	---	---	---	544
Loans Receivable Issuance	(35)	---	---	---	(35)
Due to/from Primary Government	---	12	(5,394)	---	(5,382)
Advance to/from Primary Government	---	(660)	4,978	---	4,318
Contributions and Intergovernmental	---	2,249	---	1,600	3,849
Net Cash Provided (Used) by Non-Capital Financing Activities	509	1,601	(416)	1,600	3,294
Cash Flows from Capital and Related Financing Activities:					
Interest Expense	(773)	(78)	---	---	(851)
Purchases and Construction of Capital Assets	(72)	---	---	(4)	(76)
Principal Payments on Capital Debt	(172)	---	---	---	(172)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,017)	(78)	---	(4)	(1,099)
Cash Flows from Investing Activities:					
Proceeds from Investment Maturities	7,175	---	23,294	24	30,493
Purchase of Investments	---	(1,245)	(24,553)	---	(25,798)
Interest	54	155	155	9	373
Investment Fees	---	---	(9)	---	(9)
Net Cash Provided (Used) by Investing Activities	7,229	(1,090)	(1,113)	33	5,059
Net Increase (Decrease) in Cash	16,469	(501)	3,412	(46)	19,334
Cash and Cash Equivalents, Beginning of Year	19,660	2,505	8,875	244	31,284
Cash and Cash Equivalents, End of Year	$ 36,129	$ 2,004	$ 12,287	$ 198	$ 50,618
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	$ 5,296	$ (2,070)	$ 2,595	$ (1,691)	$ 4,130
Depreciation/Amortization Expense	1,942	---	---	2	1,944
Changes in Assets and Liabilities:					
Accounts Receivable	(205)	---	---	---	(205)
Interest Receivable	40	---	209	---	249
Prepaid Items	(208)	---	---	---	(208)
Loans Receivable	---	1,265	2,142	---	3,407
Accounts Payable	(4,977)	(77)	(1)	7	(5,048)
Accrued Payroll	---	---	---	1	1
Deposit and Reserve	7,994	(52)	---	---	7,942
Compensated Absences	---	---	---	6	6
Unearned Revenue	(134)	---	(4)	---	(138)
Net Cash Provided (Used) by Operating Activities	$ 9,748	$ (934)	$ 4,941	$ (1,675)	$ 12,080
Non-Cash Investing Activities:					
Increase (Decrease) in Fair Value of Investments	$ ---	$ 19	$ (254)	$ (8)	$ (243)
Net Non-Cash Investing Activities	$ ---	$ 19	$ (254)	$ (8)	$ (243)

*The **Statistical Section** presentations include Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, and Operating Information trends. The statistical data presented is intended to provide report users with a broader understanding of the environment in which the State operates.*

STATE OF MISSOURI
STATISTICAL SECTION
June 30, 2013

Index and Overview

This part of the State's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

Net Position by Component 151
Changes in Net Position 152
Fund Balances – Governmental Funds 154
Changes in Fund Balances – Governmental Funds 156

Revenue Capacity

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

Revenue Base – Taxable Sales by Industry 158
Revenue Base – Personal Income by Industry 159
Personal Income Tax Revenue 160
Personal Income Tax Rates 161
Revenue Payers by Industry 162
Personal Income Tax Filers/Liability 163

Debt Capacity

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

Ratios of Outstanding Debt 164
Pledged Revenue Coverage 166

Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Demographic Indicators 167
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Principal Employers 169

Operating Information

These schedules contain operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

State Employees by Function 170
Operating Indicators by Function 171
Capital Asset Statistics by Function 172

Sources: Unless otherwise noted, the information in these schedules is derived from the State of Missouri Comprehensive Annual Financial Report for the years shown.

STATE OF MISSOURI
NET POSITION BY COMPONENT
FISCAL YEARS 2005-2013
(In Thousands of Dollars)

	2013	2012*	2011	2010	2009
Governmental Activities					
Net Investment in Capital Assets	$ 28,494,527	$ 27,873,493	$ 26,595,552	$ 25,850,787	$ 26,247,223
Restricted	3,826,892	3,898,340	4,339,603	3,907,120	3,537,444
Unrestricted	(1,522,955)	(1,865,908)	(1,159,743)	(940,675)	(1,260,231)
Total Governmental Activities Net Position	$ 30,798,464	$ 29,905,925	$ 29,775,412	$ 28,817,232	$ 28,524,436
Business-Type Activities					
Net Investment in Capital Assets	$ 52,644	$ 50,081	$ 50,291	$ 45,990	$ 48,442
Restricted	5,630	9,675	6,303	7,949	6,771
Unrestricted	(117,914)	(344,734)	(485,576)	(437,995)	(1,050)
Total Business-Type Activities Net Position	$ (59,640)	$ (284,978)	$ (428,982)	$ (384,056)	$ 54,163
Primary Government					
Net Investment in Capital Assets	$ 28,547,171	$ 27,923,574	$ 26,645,843	$ 25,896,777	$ 26,295,665
Restricted	3,832,522	3,908,015	4,345,906	3,915,069	3,544,215
Unrestricted	(1,640,869)	(2,210,642)	(1,645,319)	(1,378,670)	(1,261,281)
Total Primary Government Net Position	$ 30,738,824	$ 29,620,947	$ 29,346,430	$ 28,433,176	$ 28,578,599

Continues Below

	2008	2007	2006	2005
Governmental Activities				
Net Investment in Capital Assets	$ 25,324,173	$ 25,475,504	$ 25,840,886	$ 25,572,008
Restricted	6,003,212	5,032,619	3,824,769	3,250,204
Unrestricted	(2,327,482)	(1,909,993)	(1,453,203)	(1,321,738)
Total Governmental Activities Net Position	$ 28,999,903	$ 28,598,130	$ 28,212,452	$ 27,500,474
Business-Type Activities				
Net Investment in Capital Assets	$ 42,360	$ 40,922	$ 39,669	$ 43,304
Restricted	45,362	9,517	3,942	12,407
Unrestricted	329,265	185,453	33,993	(151,323)
Total Business-Type Activities Net Position	$ 416,987	$ 235,892	$ 77,604	$ (95,612)
Primary Government				
Net Investment in Capital Assets	$ 25,366,533	$ 25,516,426	$ 25,880,555	$ 25,615,312
Restricted	6,048,574	5,042,136	3,828,711	3,262,611
Unrestricted	(1,998,217)	(1,724,540)	(1,419,210)	(1,473,061)
Total Primary Government Net Position	$ 29,416,890	$ 28,834,022	$ 28,290,056	$ 27,404,862

*Fiscal year 2012 amounts have been restated.

STATE OF MISSOURI
CHANGES IN NET POSITION
FISCAL YEARS 2005-2013
(In Thousands of Dollars)

Governmental Activities:	2013	2012*	2011	2010	2009	2008	2007	2006	2005
Expenses									
General Government	$ 1,053,888	$ 1,029,012	$ 1,089,731	$ 1,129,030	$ 1,182,233	$ 1,210,044	$ 1,092,613	$ 981,614	$ 1,035,396
Education	6,368,513	6,373,757	6,536,907	6,815,521	6,589,358	6,379,189	6,042,581	5,773,048	5,669,627
Natural and Economic	933,473	1,053,949	935,078	1,082,526	1,043,449	1,006,560	928,873	867,915	834,269
Transportation and Law Enforcement	1,925,985	2,021,423	2,529,791	2,699,070	2,375,104	2,258,653	2,303,272	2,025,341	2,189,839
Human Services	12,310,204	12,299,493	11,713,021	11,740,145	10,898,796	9,876,132	9,191,994	9,890,652	9,771,651
Interest on Debt (Excluding Direct Expense)	163,473	207,906	199,948	196,413	210,342	174,011	149,987	130,438	126,202
Total Expenses	22,755,536	22,985,540	23,004,476	23,662,705	22,299,282	20,904,589	19,709,320	19,669,008	19,626,984
Program Revenues									
Charges for Services:									
General Government	903,309	883,228	705,914	875,161	756,969	775,528	669,640	724,442	705,241
Transportation and Law Enforcement	218,553	239,684	267,875	319,941	400,842	400,134	474,086	308,743	134,297
Human Services	420,658	459,517	550,690	653,463	531,250	363,644	302,002	422,912	422,706
Other Activities	287,247	285,725	314,375	380,133	369,976	277,190	239,907	154,925	191,423
Operating Grants and Contributions	9,704,485	9,889,453	9,802,842	9,489,240	8,317,356	7,697,736	7,828,289	7,758,885	7,767,831
Capital Grants and Contributions	1,032,849	1,096,052	1,814,207	1,454,811	966,394	971,801	306	---	---
Total Program Revenues	12,567,101	12,853,659	13,455,903	13,172,749	11,342,787	10,486,033	9,514,230	9,369,907	9,221,498
Total Governmental Activities									
Net Program (Expense) Revenue	(10,188,435)	(10,131,881)	(9,548,573)	(10,489,956)	(10,956,495)	(10,418,556)	(10,195,090)	(10,299,101)	(10,405,486)
General Revenues and Other Changes in Net Position									
Taxes:									
Sales and Use	2,883,808	2,705,002	2,570,243	2,572,491	2,635,068	2,871,465	2,929,398	3,047,305	3,003,405
Individual Income	5,833,218	5,116,876	4,878,166	4,840,809	5,169,741	5,447,817	5,140,588	5,271,506	4,821,500
Corporate Income	429,791	378,444	394,389	360,764	377,801	463,826	496,378	520,324	351,116
County Foreign Insurance	175,209	167,969	182,679	171,497	177,393	186,566	178,507	186,647	163,952
Alcoholic Beverage	30,293	28,652	27,247	27,657	26,689	27,754	28,074	29,068	28,045
Corporate Franchise	51,443	61,389	70,743	82,182	82,114	82,360	69,704	76,574	118,343
Fuel	648,979	620,074	1,833	233	2,671	3,073	5,351	15,319	41,832
Miscellaneous Taxes	630,379	623,414	1,210,758	1,207,501	1,160,700	1,173,076	1,164,171	1,307,727	1,334,595
Grants and Contributions not Restricted to Specific Programs	122,277	244,859	889,742	1,301,531	499,542	196,397	195,662	158,745	158,140
Unrestricted Investment Earnings	(15,323)	21,525	23,281	28,870	69,339	136,782	145,879	146,234	80,161
Special Items	---	(120)	---	---	---	---	---	---	---
Transfers	290,900	300,608	255,908	258,947	257,441	264,416	256,687	258,773	207,159
Total General Revenues and Other Changes in Net Position	11,080,974	10,268,692	10,504,989	10,852,482	10,458,499	10,853,532	10,610,399	11,018,222	10,308,248
Total Governmental Activities Change in Net Position	$ 892,539	$ 136,811	$ 956,416	$ 362,526	$ (497,996)	$ 434,976	$ 415,309	$ 719,121	$ (97,238)
Business-Type Activities:									
Expenses									
State Lottery	$ 876,308	$ 835,526	$ 755,410	$ 724,915	$ 726,106	$ 740,189	$ 689,426	$ 665,848	$ 575,667
Unemployment Compensation	858,697	1,280,157	1,714,276	2,216,078	1,292,531	498,318	444,962	412,937	501,098
Petroleum Storage Tank Insurance	18,080	22,171	13,940	13,925	17,186	21,516	16,249	13,243	25,944
State Fair Fees	3,969	3,963	3,700	3,843	4,303	3,648	4,189	4,060	3,800
State Parks and DNR	8,951	10,659	12,278	9,042	14,211	8,178	7,686	12,656	5,456
Historic Preservation	388	340	509	1,145	714	403	256	93	267
Missouri Veterans' Homes	96,989	76,598	76,033	70,884	62,378	57,075	53,215	46,662	58,756
Surplus Property	3,013	3,065	2,293	2,542	1,759	3,530	3,152	3,086	2,635
Revenue Information	32	72	1,199	1,513	5,345	1,090	1,234	871	1,191
Total Expenses	1,866,427	2,232,551	2,579,638	3,043,887	2,124,533	1,333,947	1,220,369	1,159,456	1,174,814
Program Revenues									
Charges for Services:									
State Lottery	1,156,235	1,109,108	1,011,055	984,187	981,431	1,005,421	946,017	925,079	793,750
Other Activities	57,009	56,538	55,153	56,659	60,015	101,062	65,390	64,624	63,924
Operating Grants and Contributions	1,172,524	1,507,428	1,725,481	1,823,732	967,324	657,534	618,071	603,727	542,984
Total Program Revenues	2,385,768	2,673,074	2,791,689	2,864,578	2,008,770	1,764,017	1,629,478	1,593,430	1,400,658
Total Business-Type Activities									
Net Program (Expense) Revenue	519,341	440,523	212,051	(179,309)	(115,763)	430,070	409,109	433,974	225,844
General Revenues and Other Changes in Net Position									
Unrestricted Investment Earnings	(3,138)	4,312	(1,050)	2,533	10,152	15,424	5,684	(2,189)	3,213
Special Items	---	(224)	---	---	---	---	---	---	---
Capital Contributions	35	---	---	---	---	---	---	35	---
Transfers	(290,900)	(300,608)	(255,908)	(258,947)	(257,441)	(264,416)	(256,687)	(258,773)	(207,159)
Total General Revenues and Other Changes in Net Position	(294,003)	(296,520)	(256,958)	(256,414)	(247,289)	(248,992)	(251,003)	(260,927)	(203,946)
Total Business-Type Activities Change in Net Position	$ 225,338	$ 144,003	$ (44,907)	$ (435,723)	$ (363,052)	$ 181,078	$ 158,106	$ 173,047	$ 21,898
Total Primary Government Change in Net Position	$ 1,117,877	$ 280,814	$ 911,509	$ (73,197)	$ (861,048)	$ 616,054	$ 573,415	$ 892,168	$ (75,340)

*Fiscal year 2012 amounts have been restated.

STATE OF MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEARS 2005-2013
(In Thousands of Dollars)

	2013	2012*	2011	2010	2009	2008	2007	2006	2005
General Fund									
Nonspendable	$ 56,048	$ 61,207	$ 42,906	$ 44,158					
Restricted	285,878	340,205	475,205	186,737					
Committed	506,604	504,569	512,623	534,620					
Assigned	67,123	63,484	59,783	51,734					
Unassigned	530,766	195,193	325,123	423,227					
Reserved					$ 589,532	$ 584,516	$ 567,880	$ 526,159	$ 577,561
Unreserved					716,371	1,310,239	1,289,033	988,240	326,920
Total General Fund	1,446,419	1,164,658	1,415,640	1,240,476	1,305,903	1,894,755	1,856,913	1,514,399	904,481
All Other Governmental Funds									
Nonspendable	1,126,253	1,077,138	1,016,981	986,201					
Restricted	1,675,015	1,745,287	2,137,789	2,021,223					
Committed	337,806	291,723	284,455	219,557					
Assigned	370,762	367,261	339,192	355,202					
Reserved					1,218,019	1,112,262	1,068,533	988,493	876,859
Unreserved, Reported in:									
Special Revenue Funds					1,182,724	1,314,796	1,184,853	1,192,431	1,043,965
Capital Projects Funds					540,554	927,694	542,038	213,026	251,124
Permanent Funds					124	116	88	96	87
Total All Other Governmental Funds	3,509,836	3,481,409	3,778,417	3,582,183	2,941,421	3,354,868	2,795,512	2,394,046	2,172,035
Total Fund Balances, Governmental Funds	$ 4,956,255	$ 4,646,067	$ 5,194,057	$ 4,822,659	$ 4,247,324	$ 5,249,623	$ 4,652,425	$ 3,908,445	$ 3,076,516

*Fiscal year 2012 amounts have been restated.

STATE OF MISSOURI
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEARS 2005-2013
(In Thousands of Dollars)

	2013	2012*	2011	2010	2009	2008	2007	2006	2005
Revenues:									
Taxes	$ 10,557,831	$ 9,956,574	$ 9,398,840	$ 8,987,066	$ 9,503,743	$ 10,220,623	$ 10,030,906	$ 10,648,213	$ 9,646,452
Licenses, Fees, and Permits	647,235	647,130	630,944	637,078	657,725	638,048	574,873	622,911	591,530
Sales	10,261	8,827	10,131	8,917	10,301	12,064	34,973	11,321	16,849
Leases and Rentals	1,212	313	665	934	448	438	373	155	2,143
Services	115,219	119,076	155,498	243,998	244,557	231,509	230,173	240,857	182,112
Contributions and Intergovernmental	10,860,366	11,230,111	12,500,062	12,265,891	9,763,754	8,865,962	8,025,979	7,930,499	7,901,109
Investment Earnings:									
Net Increase (Decrease) in the Fair Value of Investments	(25,606)	6,392	(53)	1,734	(9,565)	6,172	15,758	(113)	3,152
Interest	27,839	33,068	34,496	44,954	103,068	203,782	185,163	136,876	69,698
Penalties and Unclaimed Properties	112,960	51,591	54,812	60,284	48,730	64,004	63,151	83,174	25,854
Cost Reimbursement/Miscellaneous	687,611	745,602	662,070	963,030	739,288	507,021	478,419	427,916	441,555
Total Revenues	22,994,928	22,798,684	23,447,465	23,213,886	21,062,049	20,749,623	19,639,768	20,101,809	18,880,454
Expenditures:									
Current:									
General Government	884,342	886,309	883,953	889,467	952,780	1,021,589	923,316	850,355	852,997
Education	6,351,934	6,363,447	6,525,986	6,809,217	6,582,393	6,373,671	6,044,098	5,776,495	5,668,542
Natural and Economic Resources	817,068	934,767	832,855	974,260	894,815	853,872	819,326	759,733	792,650
Transportation and Law Enforcement	1,406,509	1,627,620	1,758,410	1,814,485	1,515,903	1,429,102	1,394,597	1,206,611	1,174,113
Human Services	12,162,029	12,320,259	11,627,776	11,632,371	10,829,000	9,835,109	9,158,585	9,796,523	9,795,983
Capital Outlay:									
General Government	8	---	1	5	---	---	321	386	245
Education	---	---	---	---	---	---	18,042	21,687	13,769
Transportation and Law Enforcement	963,001	1,115,457	1,253,100	1,409,557	1,308,229	1,144,171	1,250,233	1,231,092	903,776
Human Services	---	---	---	4	306	3,133	10,248	12,319	7,821
Debt Service:									
Principal	216,017	212,483	242,497	227,307	219,496	196,669	197,212	170,295	127,264
Interest	189,920	208,518	225,858	209,428	191,684	186,432	165,470	121,301	120,982
Bond Issuance Costs	920	606	1,552	8,101	1,278	2,694	5,775	1,821	---
Underwriter's Discount	2,423	2,074	437	---	---	390	247	---	326
Arbitrage	---	---	42	374	583	---	---	---	---
Total Expenditures	22,994,171	23,671,540	23,352,467	23,974,576	22,496,467	21,046,832	19,987,470	19,948,618	19,458,468
Excess Revenues (Expenditures)	757	(872,856)	94,998	(760,690)	(1,434,418)	(297,209)	(347,702)	153,191	(578,014)
Other Financing Sources (Uses):									
Proceeds from Notes/Capital Leases	712	1,776	6,300	6,675	26,317	52,245	8,794	41,924	53,025
Capital Lease Termination Payment	---	---	---	---	---	(22,559)	---	---	---
Debt Issuance	---	---	---	1,085,000	142,735	576,800	920,000	350,660	---
Issuance of Refunding Bonds	441,690	163,145	312,960	---	---	---	394,870	---	157,605
Swap Termination Payment	---	---	---	---	---	(11,118)	---	---	---
Payments to Escrow Agent	(486,904)	(168,589)	(351,599)	---	---	---	(433,477)	---	(175,553)
Bond Premium	48,276	7,944	40,468	30,631	2,835	28,361	77,099	21,336	18,274
Proceeds from Capital Asset Sale	19,310	16,864	14,703	12,938	11,087	13,142	8,675	6,634	5,920
Transfers In	312,595	300,699	255,959	259,810	258,568	266,263	257,287	260,967	239,465
Transfers Out	(21,846)	(144)	---	(738)	(902)	(6,476)	(120,586)	(1,598)	(19,420)
Total Other Financing Sources (Uses)	313,833	321,695	278,791	1,394,316	440,640	896,658	1,112,662	679,923	279,316
Net Change in Fund Balances	314,590	(551,161)	373,789	633,626	(993,778)	599,449	764,960	833,114	(298,698)
Increase (Decrease) in Reserve for Inventory	(4,402)	4,135	(2,389)	(279)	(105)	(2,251)	838	(129)	327
Net Change in Fund Balances	$ 310,188	$ (547,026)	$ 371,400	$ 633,347	$ (993,883)	$ 597,198	$ 765,798	$ 832,985	$ (298,371)
Debt Service as a Percentage of Non-Capital Expenditures	1.86%	1.89%	2.14%	1.99%	1.96%	1.96%	1.99%	1.59%	1.35%

*Fiscal year 2012 amounts have been restated.

STATE OF MISSOURI
REVENUE BASE - TAXABLE SALES BY INDUSTRY
FISCAL YEARS 2005-2013

Taxable Sales by Industry	2013	2012	2011	2010	2009
Agricultural/Forestry, Fishing, and Other	$ 215,327,746	$ 221,013,601	$ 201,234,995	$ 202,810,606	$ 209,980,903
Mining	72,364,854	74,803,209	73,001,501	85,194,876	88,867,589
Construction	837,805,800	861,403,612	794,578,753	786,022,254	889,561,095
Manufacturing	4,122,180,876	3,761,027,682	2,916,005,779	2,994,039,718	3,203,288,128
Transportation and Public Utilities	7,865,266,716	7,836,415,362	8,377,819,035	8,347,862,197	8,247,781,684
Wholesale Trade	8,201,088,643	8,205,030,046	7,636,707,697	5,708,391,048	7,019,606,804
Retail Trade	45,955,834,897	45,578,697,317	43,451,150,211	42,667,031,160	44,820,794,586
Finance, Insurance, and Real Estate	555,096,635	577,095,000	573,590,035	562,957,084	592,136,070
Services	9,242,131,446	9,239,885,195	8,712,983,898	8,676,719,865	8,648,622,385
State and Local Government	164,729,390	167,737,492	150,984,890	135,174,330	158,765,152
Non-Classifiable	19,041,853	15,869,773	13,130,346	14,230,874	21,079,516
Total Taxable Sales	$ 77,250,868,856	$ 76,538,978,289	$ 72,901,187,140	$ 70,180,434,012	$ 73,900,483,912
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Continues Below

Taxable Sales by Industry	2008	2007	2006	2005
Agricultural/Forestry, Fishing, and Other	$ 192,024,683	$ 198,564,812	$ 190,183,959	$ 173,064,997
Mining	106,892,575	128,534,001	148,041,999	144,360,458
Construction	887,618,876	929,753,447	929,146,007	781,324,533
Manufacturing	2,995,302,916	2,862,904,859	3,217,299,757	3,033,835,702
Transportation and Public Utilities	7,130,631,754	7,673,318,253	7,285,790,054	6,950,561,788
Wholesale Trade	8,028,332,745	8,338,189,598	8,604,467,502	8,136,436,052
Retail Trade	46,413,720,906	46,166,130,737	44,878,694,872	42,950,724,459
Finance, Insurance, and Real Estate	538,271,852	529,797,617	533,582,629	507,350,286
Services	9,212,468,960	8,787,849,846	8,433,450,983	8,015,509,010
State and Local Government	162,520,783	161,631,024	156,947,658	84,808,852
Non-Classifiable	19,669,233	15,518,372	16,694,236	16,301,552
Total Taxable Sales	$ 75,687,455,283	$ 75,792,192,566	$ 74,394,299,656	$ 70,794,277,689
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%

Source: Missouri Department of Revenue

STATE OF MISSOURI
REVENUE BASE - PERSONAL INCOME BY INDUSTRY
CALENDAR YEARS 2004-2012

Personal Income by Industry (In Thousands of Dollars)	2012	2011*	2010*	2009*	2008
Farm Earnings	$ 1,257,121	$ 2,321,629	$ 1,523,983	$ 1,591,091	$ 2,376,908
Agricultural/Forestry, Fishing, and Other	319,736	297,657	333,875	276,120	303,227
Mining	533,997	504,777	395,522	388,211	502,316
Construction/Utilities	11,021,154	10,551,329	10,588,278	11,331,673	12,516,453
Manufacturing	18,223,989	17,303,819	16,746,171	17,442,057	20,134,090
Transportation and Public Utilities	6,329,830	5,957,783	5,732,126	5,809,413	6,293,608
Wholesale Trade	9,401,253	8,969,791	8,721,745	8,658,427	9,231,605
Retail Trade	10,981,844	10,654,925	10,506,522	10,416,435	10,570,173
Finance, Insurance, and Real Estate	13,577,510	12,587,314	12,244,442	11,816,812	11,670,581
Services	70,695,009	67,723,434	65,813,475	64,334,920	67,549,088
Federal, Civilian	5,326,901	5,399,812	5,440,528	5,151,679	5,351,539
Military	2,087,494	2,151,087	2,185,296	2,318,306	2,595,583
State and Local Government	20,951,836	20,783,859	21,026,890	20,830,621	18,813,044
Total Personal Income	$ 170,707,674	$ 165,207,216	$ 161,258,853	$ 160,365,765	$ 167,908,215
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Continues Below

Personal Income by Industry (In Thousands of Dollars)	2007	2006	2005	2004
Farm Earnings	$ 1,374,784	$ 1,275,728	$ 1,418,941	$ 2,249,533
Agricultural/Forestry, Fishing, and Other	305,046	296,794	285,101	298,302
Mining	440,499	382,200	493,876	376,755
Construction/Utilities	12,386,303	12,504,699	11,841,236	11,336,058
Manufacturing	19,030,882	19,108,565	18,615,722	18,349,966
Transportation and Public Utilities	6,255,137	6,103,789	5,879,793	5,631,080
Wholesale Trade	9,027,671	8,465,151	8,073,239	7,627,621
Retail Trade	10,617,610	10,540,177	10,325,489	9,996,119
Finance, Insurance, and Real Estate	11,183,515	11,405,949	10,865,949	10,480,778
Services	63,543,402	59,934,255	56,500,169	53,613,041
Federal, Civilian	5,011,544	4,852,757	4,689,078	4,524,741
Military	2,323,860	2,109,152	1,972,637	1,828,320
State and Local Government	17,853,285	16,825,963	16,065,575	15,346,234
Total Personal Income	$ 159,353,538	$ 153,805,179	$ 147,026,805	$ 141,658,548
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%

*Calendar years 2009, 2010, and 2011 have been updated by the Bureau of Economic Analysis.

Source: Bureau of Economic Analysis

STATE OF MISSOURI
PERSONAL INCOME TAX REVENUE
FISCAL YEARS 2005-2013

Personal Income Tax Revenue	2013	2012	2011	2010	2009
Personal Income Tax Revenue	$6,374,093,816	$5,851,270,707	$5,641,812,271	$5,495,341,696	$5,949,266,333
Personal Income (Federal AGI)	$238,522,413,855	$232,336,289,876	$206,107,657,668	$214,909,582,160	$254,573,370,206
Taxable Income	$176,397,991,056	$170,827,410,945	$147,407,200,244	$124,489,765,954	$188,091,389,476
Average Effective Rate:					
Federal Adjusted Gross	2.67%	2.52%	2.74%	2.56%	2.34%
Taxable Income	3.61%	3.43%	3.83%	4.41%	3.16%

Continues Below

Personal Income Tax Revenue	2008	2007	2006	2005
Personal Income Tax Revenue	$6,119,090,558	$5,736,793,026	$5,360,679,833	$4,866,468,578
Personal Income (Federal AGI)	$242,481,271,497	$215,491,776,833	$185,705,288,582	$161,726,939,117
Taxable Income	$172,825,313,183	$157,963,987,815	$133,414,355,787	$114,900,652,083
Average Effective Rate:				
Federal Adjusted Gross	2.52%	2.66%	2.89%	3.01%
Taxable Income	3.54%	3.63%	4.02%	4.24%

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

STATE OF MISSOURI
PERSONAL INCOME TAX RATES
FISCAL YEARS 2005-2013

Ranges of Tax Rates on the Portion of Taxable Income (In Thousands of Dollars)	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tax Rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Income Levels	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2
Tax Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Income Levels	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3
Tax Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Income Levels	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4
Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income Levels	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5
Tax Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Income Levels	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6
Tax Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Income Levels	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7
Tax Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Income Levels	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8
Tax Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Income Levels	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9
Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Income Levels	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

STATE OF MISSOURI
REVENUE PAYERS BY INDUSTRY
FISCAL YEARS 2005-2013

Sales Tax

	2013	%	2012	%	2011	%
Agricultural	$ 9,097,597	0.28%	$ 9,337,825	0.29%	$ 8,502,179	0.28%
Mining	3,057,415	0.09%	3,160,435	0.10%	3,084,313	0.10%
Construction	35,397,295	1.08%	36,394,303	1.13%	33,570,952	1.09%
Manufacturing	174,162,142	5.34%	158,903,420	4.91%	123,201,244	4.00%
Transportation & Utilities	332,307,519	10.18%	331,088,549	10.24%	353,962,854	11.49%
Wholesale Trade	346,495,995	10.62%	346,662,519	10.72%	322,650,900	10.47%
Retail Trade	1,941,634,024	59.49%	1,925,699,962	59.55%	1,835,811,096	59.60%
Finance, Insurance, & Real Estate	23,452,833	0.72%	24,382,264	0.75%	24,234,179	0.79%
Services	390,480,054	11.96%	390,385,149	12.07%	368,123,570	11.95%
Government	6,959,817	0.21%	7,086,909	0.22%	6,379,112	0.21%
Non-Classifiable	804,518	0.02%	670,498	0.02%	554,757	0.02%
Total	$ 3,263,849,209	100.00%	$ 3,233,771,833	100.00%	$ 3,080,075,156	100.00%

	2010	%	2009	%	2008	%
Agricultural	$ 8,568,748	0.29%	$ 8,871,693	0.28%	$ 8,113,043	0.25%
Mining	3,599,484	0.12%	3,754,656	0.12%	4,516,211	0.14%
Construction	33,209,440	1.12%	37,583,956	1.20%	37,501,898	1.17%
Manufacturing	126,498,178	4.27%	135,338,923	4.34%	126,551,548	3.96%
Transportation & Utilities	352,697,178	11.90%	348,468,776	11.16%	301,269,192	9.42%
Wholesale Trade	241,179,522	8.13%	296,578,387	9.50%	339,197,058	10.61%
Retail Trade	1,802,682,066	60.80%	1,893,678,571	60.65%	1,960,979,708	61.32%
Finance, Insurance, & Real Estate	23,784,937	0.80%	25,017,749	0.80%	22,741,986	0.71%
Services	366,591,414	12.36%	365,404,296	11.70%	389,226,814	12.17%
Government	5,711,115	0.19%	6,707,828	0.22%	6,866,503	0.22%
Non-Classifiable	601,254	0.02%	890,610	0.03%	831,025	0.03%
Total	$ 2,965,123,336	100.00%	$ 3,122,295,445	100.00%	$ 3,197,794,986	100.00%

	2007	%	2006	%	2005	%
Agricultural	$ 8,389,363	0.26%	$ 8,035,272	0.26%	$ 7,311,996	0.25%
Mining	5,430,562	0.17%	6,254,774	0.20%	6,099,229	0.20%
Construction	39,282,083	1.23%	39,256,419	1.25%	33,010,961	1.10%
Manufacturing	120,957,730	3.78%	135,930,915	4.32%	128,179,558	4.29%
Transportation & Utilities	324,197,696	10.12%	307,824,630	9.79%	293,661,236	9.82%
Wholesale Trade	352,288,511	11.00%	363,538,752	11.57%	343,764,423	11.49%
Retail Trade	1,950,519,024	60.91%	1,896,124,858	60.32%	1,814,668,108	60.67%
Finance, Insurance, & Real Estate	22,383,949	0.70%	22,543,866	0.72%	21,435,550	0.72%
Services	371,286,656	11.60%	356,313,304	11.34%	338,655,256	11.32%
Government	6,828,911	0.21%	6,631,039	0.21%	3,583,174	0.12%
Non-Classifiable	655,651	0.02%	705,332	0.02%	688,741	0.02%
Total	$ 3,202,220,136	100.00%	$ 3,143,159,161	100.00%	$ 2,991,058,232	100.00%

Source: Missouri Department of Revenue

STATE OF MISSOURI
PERSONAL INCOME TAX FILERS/LIABILITY
FISCAL YEARS 2005-2013

Personal Income *

	2013**			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
$50,000 and under	3,270,678	75.46%	$ 1,281,485,674	23.07%
$50,000 - $100,000	768,319	17.73%	1,524,497,124	27.45%
$100,000 - $250,000	226,312	5.22%	1,106,697,759	19.92%
$250,000 - $1,000,000	55,761	1.29%	808,368,941	14.55%
$1,000,000 and over	13,234	0.31%	833,829,363	15.01%
Total	4,334,304	100.00%	$ 5,554,878,861	100.00%

	2005**			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
$50,000 and under	3,370,705	82.60%	$ 1,381,799,422	34.47%
$50,000 - $100,000	543,861	13.33%	1,124,700,381	28.05%
$100,000 - $250,000	124,636	3.05%	616,542,538	15.38%
$250,000 - $1,000,000	33,760	0.83%	486,315,065	12.13%
$1,000,000 and over	7,854	0.19%	399,557,445	9.97%
Total	4,080,816	100.00%	$ 4,008,914,851	100.00%

*Federal Adjusted Gross Income

**Per GASB Statement 44 (effective for statistical sections prepared for periods beginning after June 15, 2005), this schedule is to show the current year and nine years ago. Information not available prior to 2005.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Source: Missouri Department of Revenue

STATE OF MISSOURI
RATIOS OF OUTSTANDING DEBT
FISCAL YEARS 2005-2013
(In Thousands of Dollars Except Per Capita)

	2013	2012*	2011	2010	2009	2008	2007	2006	2005
Governmental Activities									
General Obligation Bonds	$ 378,150	$ 432,765	$ 487,090	$ 528,910	$ 600,075	$ 666,165	$ 684,515	$ 739,935	$ 790,910
Other Bonds	3,562,775	3,735,920	3,880,975	4,060,855	3,102,685	3,084,670	2,660,875	1,873,140	1,609,815
Leasehold Revenue Bonds	32,995	32,780	33,880	34,935	35,955	36,935	37,880	38,860	---
Certificates of Participation	76,910	76,910	76,910	87,550	96,235	105,325	113,990	122,255	124,490
Capital Leases	75,885	78,455	103,543	97,423	113,147	108,815	74,641	74,049	107,647
Total Governmental Activities	$ 4,126,715	$ 4,356,830	$ 4,582,398	$ 4,809,673	$ 3,948,097	$ 4,001,910	$ 3,571,901	$ 2,848,239	$ 2,632,862
Business-Type Activities									
Capital Leases	$ 284	$ 356	$ 66	$ 116	$ 210	$ 244	$ ---	$ ---	$ ---
Total Business-Type Activities	$ 284	$ 356	$ 66	$ 116	$ 210	$ 244	$ ---	$ ---	$ ---
Total Primary Government	$ 4,126,999	$ 4,357,186	$ 4,582,464	$ 4,809,789	$ 3,948,307	$ 4,002,154	$ 3,571,901	$ 2,848,239	$ 2,632,862
Personal Income	$ 235,153,679	$ 228,218,407	$ 218,778,293	$ 216,049,019	$ 223,548,498	$ 209,131,189	$ 198,727,013	$ 186,752,616	$ 180,546,848
Debt as a Percentage of Personal Income[1]	1.8%	1.9%	2.1%	2.2%	1.8%	1.9%	1.8%	1.5%	1.5%
Debt Per Capita[1]	$ 685	$ 725	$ 764	$ 807	$ 666	$ 680	$ 611	$ 492	$ 458

Legal Debt Margin Calculation for Fiscal Year 2013:

General Obligation Bonds Authorized (Legislative Debt Limit)	$ 1,726,395
Unforeseen Emergency or Casual Deficiency	1,000
Less: General Obligation Issued	(1,489,494)
Legal Debt Margin	$ 237,901

Legal Debt Margin Summary by Fiscal Year:

	2013	2012*	2011	2010	2009	2008	2007	2006	2005
Legislative Debt Limit	$ 1,726,395	$ 1,726,395	$ 1,726,395	$ 1,726,395	$ 1,726,395	$ 1,726,395	$ 1,686,395	$ 1,646,395	$ 1,606,395
Total Net Debt Applicable to Limit	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,438,494)	(1,438,494)	(1,438,494)
Legal Debt Margin	$ 237,901	$ 237,901	$ 237,901	$ 237,901	$ 237,901	$ 237,901	$ 247,901	$ 207,901	$ 167,901
Legal Debt Margin to Debt Limit Ratio	13.78%	13.78%	13.78%	13.78%	13.78%	13.78%	14.70%	12.63%	10.45%

[1]These ratios are calculated using personal income and population for the calendar year. See *Demographic Indicators* for personal income and population data.

*Fiscal year 2012 has been restated.

STATE OF MISSOURI
PLEDGED REVENUE COVERAGE
FISCAL YEARS 2006-2013
(In Thousands of Dollars)

Fiscal Year	Gross Revenues[1]	Less: Operating Expenses[2]	Net Available Revenues	Debt Service		Coverage[3]
				Principal	Interest	
	Missouri Road Fund					
2013	$ 1,822,318	$ 333,327	$ 1,488,991	$ 153,525	$ 135,511	5.2
2012	1,761,382	342,240	1,419,142	133,190	140,202	5.2
2011	2,237,700	305,649	1,932,051	137,015	146,326	6.8
2010	1,760,497	281,320	1,479,177	88,285	128,851	6.8
2009	997,990	279,971	718,019	84,896	113,591	3.6
2008	1,049,645	279,823	769,822	62,515	105,117	4.6
2007	1,024,787	269,210	755,577	73,350	82,049	4.9
2006	727,870	N/A	727,870	63,149	49,248	6.5

N/A = not available

[1]Revenues for Missouri Road Fund consist of a portion of the taxes and fees received by the State from the motor fuel tax, sales tax on motor vehicles, use tax on motor vehicles, revenue derived from motorists for their usage of the highways of the State, federal grants, and bond proceeds.

[2]Operating Expenses do not include depreciation/amortization.

[3]Coverage equals net available revenue divided by debt service.

Source: Missouri Department of Transportation

STATE OF MISSOURI
DEMOGRAPHIC INDICATORS
CALENDAR YEARS 2004-2012

	2012	2011	2010	2009	2008
Population					
Missouri (In Thousands)	6,022	6,011	5,996	5,961	5,924
Change	0.2%	0.3%	0.6%	0.6%	0.6%
National (In Thousands)	313,914	311,592	309,330	306,772	304,094
Change	0.7%	0.7%	0.8%	0.9%	1.0%
Total Personal Income					
Missouri					
(In Thousands of Dollars)	$ 235,153,679	$ 228,218,407	$ 218,778,293	$ 216,049,019	$ 223,548,498
Change	3.0%	4.3%	1.3%	-3.4%	6.9%
National					
(In Thousands of Dollars)	$ 13,401,868,693	$ 12,949,905,000	$ 12,308,496,000	$ 11,916,808,000	$ 12,451,599,000
Change	3.5%	5.2%	3.3%	-4.3%	4.6%
Per Capita Personal Income					
Missouri	$ 39,049	$ 37,969	$ 36,406	$ 36,243	$ 37,737
Change	2.8%	4.3%	0.4%	-4.0%	6.2%
National	$ 42,693	$ 41,560	$ 39,791	$ 38,846	$ 40,947
Change	2.7%	4.4%	2.4%	-5.1%	3.6%
Resident Civilian Labor Force and Employment					
Civilian Labor Force					
(In Thousands)	2,993	3,022	3,053	3,051	3,046
Employed (In Thousands)	2,785	2,767	2,767	2,768	2,861
Unemployed (In Thousands)	207	255	286	283	186
Unemployment Rate	6.9%	8.4%	9.4%	9.3%	6.1%
National Unemployment Rate	8.1%	8.9%	9.6%	9.3%	5.8%

Continues Below

	2007	2006	2005	2004
Population				
Missouri (In Thousands)	5,888	5,843	5,790	5,748
Change	0.8%	0.9%	0.7%	
National (In Thousands)	301,231	298,380	295,517	292,805
Change	1.0%	1.0%	0.9%	
Total Personal Income				
Missouri				
(In Thousands of Dollars)	$ 209,131,189	$ 198,727,013	$ 186,752,616	$ 180,546,848
Change	5.2%	6.4%	3.4%	
National				
(In Thousands of Dollars)	$ 11,900,562,000	$ 11,256,516,000	$ 10,476,669,000	$ 9,928,790,000
Change	5.7%	7.4%	5.5%	
Per Capita Personal Income				
Missouri	$ 35,521	$ 34,013	$ 32,253	$ 31,412
Change	4.4%	5.5%	2.7%	
National	$ 39,506	$ 37,725	$ 35,452	$ 33,909
Change	4.7%	6.4%	4.6%	
Resident Civilian Labor Force and Employment				
Civilian Labor Force				
(In Thousands)	3,050	3,034	3,011	2,986
Employed (In Thousands)	2,896	2,888	2,850	2,814
Unemployed (In Thousands)	155	147	162	172
Unemployment Rate	5.1%	4.8%	5.4%	5.8%
National Unemployment Rate	4.6%	4.6%	5.1%	5.5%

NOTE: 2011 Civilian Labor Force, Employed, Unemployed, and Unemployed Rate changed due to a change in reported totals from Missouri Economic Research Center Local Area Unemployment Statistics (LAUS).

Sources: Bureau of Economic Analysis, Missouri Economic Research and Information Center, Bureau of Labor Statistics

STATE OF MISSOURI
ECONOMIC INDICATORS
CALENDAR YEARS 2004-2012

	2012-13	2011-12	2010-11	2009-10	2008-09
School Enrollment (In Thousands)					
Elementary and Secondary Education	888	886	890	892	893
Higher Education - Private Institutions	91	98	95	93	89
Total Enrollment	979	984	985	985	982
% Change from Prior Year	-0.5%	-0.1%	0.0%	0.3%	0.0%
Higher Education					
Public Community Colleges					
Number of Campuses	19	19	19	20	19
Number of Students (FTE*)	67,721	70,964	70,320	65,034	56,365
State Technical College					
Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,236	1,161	1,133	1,116	976
State Colleges/Universities					
Number of Campuses	14	14	14	14	14
Number of Students (FTE)	118,055	117,609	114,655	112,539	108,159

Continues Below

	2007-08	2006-07	2005-06	2004-05
School Enrollment (In Thousands)				
Elementary and Secondary Education	894	898	898	892
Higher Education - Private Institutions	88	86	84	82
Total Enrollment	982	984	982	974
% Change from Prior Year	-0.2%	0.2%	0.8%	0.3%
Higher Education				
Public Community Colleges				
Number of Campuses	19	18	18	18
Number of Students (FTE*)	54,900	52,377	51,945	52,204
State Technical College				
Number of Campuses	1	1	1	1
Number of Students (FTE)	891	888	885	854
State Colleges/Universities				
Number of Campuses	14	14	14	14
Number of Students (FTE)	106,056	103,856	102,628	100,717

*FTE is Full-Time Equivalent.

Sources: Missouri Department of Elementary and Secondary Education and Missouri Department of Higher Education

STATE OF MISSOURI
PRINCIPAL EMPLOYERS
CALENDAR YEARS 2012 AND 2003

2012

Employer	Number of Employees	Percent of Total State Employment
State of Missouri[1]	57,000	2.05%
Wal-Mart Associates, Inc.	20,000+	0.72%
University of Missouri	20,000+	0.72%
Washington University	15,000-20,000	0.54% - 0.72%
US Post Office	15,000-20,000	0.54% - 0.72%
The Boeing Company	10,000-15,000	0.36% - 0.54%
Barnes-Jewish Hospital	7,500-10,000	0.27% - 0.36%
Department of Defense	7,500-10,000	0.27% - 0.36%
Schnuck Markets, Inc.	7,500-10,000	0.27% - 0.36%
Department of Veterans Affairs	7,500-10,000	0.27% - 0.36%
Cerner Corporation	5,000-7,500	0.18% - 0.27%
Total	172,000 - 199,500	6.17% - 7.16%
Total Missouri Employment		**2,785,467**

2003

Employer	Number of Employees	Percent of Total State Employment
State of Missouri[1]	62,000	2.20%
Wal-Mart Associates, Inc.	15,000+	0.53%
Boeing Corporation	12,500-15,000	0.44% - 0.53%
Washington University	12,500-15,000	0.44% - 0.53%
Schnucks Markets, Inc.	7,500-10,000	0.27% - 0.36%
Barnes-Jewish Hospital	7,500-10,000	0.27% - 0.36%
Ford Motor Company	7,500-10,000	0.27% - 0.36%
May Department Stores	7,500-10,000	0.27% - 0.36%
Daimler Chrysler	5,000-7,500	0.18% - 0.27%
Lester E Cox Medical	5,000-7,500	0.18% - 0.27%
United Parcel Service, Inc.	5,000-7,500	0.18% - 0.27%
SBC (Southwestern Bell) Management	5,000-7,500	0.18% - 0.27%
St. John's Regional Health Center	5,000-7,500	0.18% - 0.27%
Hallmark Cards	5,000-7,500	0.18% - 0.27%
St. John's Mercy Hospital	5,000-7,500	0.18% - 0.27%
St. Louis University	5,000-7,500	0.18% - 0.27%
Total	172,000 - 207,000	6.11% - 7.36%
Total Missouri Employment		**2,813,571**

All figures are based on a calendar-year average.

[1]Number of state employees includes only full-time personnel and does not include college or university employees.

Sources: Missouri Economic Research and Information Center,
State of Missouri CAFR-Fiscal Year 2004, State Employee Headcount report

STATE OF MISSOURI
STATE EMPLOYEES BY FUNCTION
FISCAL YEARS 2006-2013
FULL-TIME EQUIVALENTS*

	2013	2012	2011	2010	2009	2008	2007	2006
General Government								
Legislature	670	683	703	725	716	719	732	749
Judiciary	3,470	3,369	3,393	3,626	3,755	3,731	3,777	3,826
Public Defender	565	595	578	570	558	555	558	561
Governor	26	28	32	33	24	32	33	34
Lt. Governor	5	6	6	6	6	6	7	7
Secretary of State	244	244	253	261	272	277	275	266
State Auditor	111	116	116	119	124	128	127	132
State Treasurer	48	49	50	49	51	51	51	51
Attorney General	363	350	371	408	420	451	443	427
Office of Administration	2,132	2,161	2,139	2,040	2,091	2,046	1,783	868
Revenue	1,344	1,364	1,383	1,421	1,487	1,523	1,586	1,766
Total General Government	8,978	8,965	9,024	9,258	9,504	9,519	9,372	8,687
Education								
Elementary and Secondary Education	2,631	2,714	2,635	2,662	2,760	2,650	2,654	2,719
Higher Education	64	61	65	75	73	67	58	67
Total Education	2,695	2,775	2,700	2,737	2,833	2,717	2,712	2,786
Natural and Economic Resources								
Agriculture	456	467	535	617	494	479	467	456
Insurance, Financial Institutions and Professional Registration	759	755	744	734	741	748	192	200
Conservation	1,901	1,872	1,894	1,982	2,085	2,065	2,190	2,270
Economic Development	822	891	947	1,019	994	1,024	1,604	1,681
Labor and Industrial Relations	967	998	987	924	777	810	913	1,056
Natural Resources	2,047	2,042	1,934	1,903	2,121	2,102	2,061	2,175
Total Natural and Economic Resources	6,952	7,025	7,041	7,179	7,212	7,228	7,427	7,838
Transportation and Law Enforcement								
Transportation	5,410	5,804	6,399	6,970	6,969	6,961	7,196	7,300
Public Safety	5,320	5,309	5,281	5,336	5,412	5,294	5,085	5,101
Total Transportation and Law Enforcement	10,730	11,113	11,680	12,306	12,381	12,255	12,281	12,401
Human Services								
Health and Senior Services	1,798	1,753	1,706	1,826	1,927	1,885	1,877	1,969
Mental Health	8,101	8,089	8,256	8,961	9,613	9,500	9,602	9,784
Social Services	7,244	7,371	7,562	8,138	8,584	8,624	8,553	8,794
Corrections	10,880	10,864	10,990	11,175	11,364	11,020	11,138	11,235
Total Human Services	28,023	28,077	28,514	30,100	31,488	31,029	31,170	31,782
State Total	57,378	57,955	58,959	61,580	63,418	62,748	62,962	63,494

*Based on a four quarter average.

Source: Office of Administration, Division of Accounting, Statewide Indirect Cost Allocation Plan

STATE OF MISSOURI
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2006-2013

	2013	2012	2011	2010	2009	2008	2007	2006
General Government								
Individual Income Tax Returns Processed (In Thousands)	2,945	2,969	2,917	2,877	2,946	3,013	3,902	2,770
Sales and Use Tax Returns Processed (In Thousands)	730	760	773	785	772	788	1,055	742
Driver Licenses Processed (In Thousands)	1,308	1,208	1,160	1,090	1,179	964	1,052	1,106
Motor Vehicle Registrations Processed (In Thousands)	4,050	3,905	3,828	3,844	3,502	3,866	3,856	2,994
Audit Reports Issued	146	123	168	151	101	91	88	103
Statewide Court Filings (In Thousands)[y]	2,685	2,565	2,525	2,359	2,322	2,196	2,027	2,152
Business Services Requests made on Secretary of State Web Page (In Thousands)	89,958	121,974	81,643	79,974	76,744	44,300	36,000	35,000
Checks Issued (In Thousands)	1,722	1,971	2,216	2,465	2,667	2,807	3,035	3,309
Unclaimed Property Returned (In Thousands)	$ 39,509	38,239	$ 36,373	$ 35,014	$ 26,672	$ 34,531	$ 22,966	$ 21,816
Education								
High School Drop Out Rate	3.0%	3.5%	4.0%	4.1%	3.9%	4.2%	4.7%	3.8%
Elementary and Secondary Schools Meeting Adequate Yearly Progress*	---	---	25.6%	35.3%	35.7%	40.1%	62.6%	65.2%
Clients Achieving Employment after Receiving Vocational Rehabilitation Services	62.7%	61.0%	56.0%	61.0%	67.1%	67.7%	70.2%	67.6%
Guaranteed Student Loans (In Thousands)***	$ ---	$ ---	$ ---	$ 656,656	$ 780,838	$901,385	$ 1,178,692	$ 1,162,519
Scholarships/Grants Awarded to Eligible Missouri Residents (In Thousands)	$ 104,265	$ 97,077	$ 91,146	$ 98,593	$ 108,981	$ 89,728	$ 41,466	$ 41,845
Natural and Economic Resources								
Job Placement Rate of Unemployed Individuals that Registered on MissouriCareerSource Web Page	55.4%	55.2%	58.2%	57.9%	64.0%	66.0%	62.0%	63.3%
Insurance Policies Filed Electronically	99.4%	99.5%	96.0%	96.0%	94.7%	50.0%	50.0%	50.0%
Initial Unemployment Claims (In Thousands)	364	427	502	582	565	396	411	393
International Agricultural Exports (In Thousands)	$ 36,898	$ 38,700	$ 15,000	$ 38,000	$ 22,700	$ 30,300	$ 19,760	$ 18,191
Hunting License Holders (In Thousands)	606	593	588	592	591	580	579	570
Visitors to Missouri State Parks and Historic Sites (In Thousands)	18,093	17,846	16,363	15,891	15,307	15,577	16,069	16,650
Transportation and Law Enforcement								
Methamphetamine Labs Seized	244	274	340	245	165	274	259	375
State - Licensed Fire Safety Inspections	15,680	15,177	11,487	10,603	11,008	11,998	11,684	9,848
Buildings Served by Missouri Capitol Police	72	72	73	75	83	82	82	79
Alcohol Arrests**	---	---	---	385	845	736	954	1,084
Missouri Major Roads Rated in Good Condition	88.5%	88.1%	85.8%	86.5%	83.4%	78.0%	74.0%	60.8%
Difference Between Awarded and Actual Transportation Construction Costs	0.5%	0.2%	(0.4%)	(1.9%)	1.1%	0.9%	0.9%	3.1%
Human Services								
Medicaid Enrollees	868,226	889,159	897,306	892,691	850,722	833,112	822,685	830,262
Food Stamp Recipients	927,927	943,835	949,136	909,139	827,639	899,332	826,313	795,963
Doses of Vaccine Issued by Vaccines for Children Providers (In Thousands)	1,385	1,354	1,420	1,384	1,317	1,360	1,097	1,075
Incarcerated Offenders	31,408	31,057	30,771	30,418	30,476	30,803	29,975	30,185
Individuals Served in State Comprehensive Psychiatric Service Facilities	1,694	1,716	2,170	4,120	6,759	6,882	7,805	7,772

*Received NCLB waiver from the federal government. No longer evaluating disctricts based on AYP.

**Number of Alcohol Arrests is zero due to a loss of grant funding to perform alcohol compliance buys.

***Total loans guaranteed during fiscal year 2013 was zero, as the authority to ensure loans ended June 30, 2010, due to the enactment of the Health Care and Education Affordability Reconciliation Act. However, the Department of Higher Education will continue to act as the US Department of Education's agent in fulfilling responsibilities relating to outstanding guarantees, which totaled $2.4 billion as of June 30, 2013.

Sources: State agencies

STATE OF MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION
FISCAL YEARS 2005-2013

	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government									
Parcels of Land	20	20	20	20	21	21	20	18	15
Land Improvements	50	40	38	38	37	37	35	35	31
Square Footage of Buildings	1,014,621	1,006,449	1,013,314	1,011,732	1,015,214	1,001,281	996,590	991,800	1,071,699
Equipment	36,050	35,651	35,316	35,333	36,813	35,171	42,333	44,469	49,644
Software	826	293	213	168	88	---	---	---	---
Education									
Parcels of Land	31	31	31	31	31	31	32	32	32
Land Improvements	54	46	43	43	32	31	31	31	29
Square Footage of Buildings	140,159	136,465	136,465	133,494	135,230	135,230	135,230	102,719	134,162
Equipment	6,175	6,102	5,984	5,911	6,031	6,010	6,679	6,780	6,723
Trademarks	1	1	1	---	---	---	---	---	---
Natural and Economic Resources									
Parcels of Land	826	826	825	824	823	815	811	815	812
Land Improvements	386	328	324	323	325	323	318	320	216
Temporary Easements	1	1	1	1	---	---	---	---	---
Square Footage of Buildings	602,174	611,550	616,729	622,181	622,285	625,779	622,887	528,136	370,505
Equipment	24,893	35,064	36,097	36,881	38,807	41,145	43,534	46,574	46,915
Software	51	36	20	12	3	---	---	---	---
State Parks and Historic Sites	87	85	85	85	85	84	84	84	84
State Conservation Areas	1,197	1,193	1,196	1,179	1,169	1,165	1,151	1,148	1,140
Transportation and Law Enforcement									
Parcels of Land	682	790	805	819	831	836	853	862	1,608
Land Improvements	420	349	307	264	245	198	184	177	183
Permanent Easements	467	382	254	221	---	---	---	---	---
Temporary Easements	875	833	961	1,086	---	---	---	---	---
Square Footage of Buildings	180,140	175,664	175,138	164,119	164,119	151,533	158,081	157,658	157,172
Equipment	65,813	66,994	67,649	67,959	67,100	65,074	63,327	62,984	61,965
Software	429	573	202	146	---	---	---	---	---
Miles of State Highway	33,885	33,845	33,702	33,639	33,676	33,685	32,800	32,423	32,402
State-Owned Bridges and Culverts	10,364	10,405	10,405	10,335	10,249	10,276	10,240	10,224	10,190
Highway Patrol Stations	9	9	9	9	9	9	9	9	9
Human Services									
Parcels of Land	81	83	83	83	84	84	84	83	85
Land Improvements	168	161	157	154	130	118	115	115	112
Square Footage of Buildings	919,900	900,749	924,380	932,827	952,117	962,710	967,653	870,129	834,352
Equipment	46,221	50,229	63,442	70,684	78,543	91,178	98,649	107,434	106,334
Software	32	28	13	10	7	---	---	---	---
Correctional Facilities	30	30	30	30	30	28	26	26	24

Source: State of Missouri capital asset records by agency.

Report Prepared by:

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